2-21

July 12, 1975

75¢

Saturday Review

A STRATEGY FOR PROSPERITY

The Future of the American Economy: An SR Special Report

Getting Government Out of the Marketplace
by WILLIAM E. SIMON
Secretary of the Treasury

Five Harvard Professors Chart the Requirements for National Recovery

Can Capitalism Survive Another 30 Years?

Why Tomorrow's Corporate Leaders [illegible] the Doomsayers

37662 KINGSPORT TN
PO BX 9
KINGSPORT UNIV CNTR LIB
270 C3766088884KINPO 90EA20517S

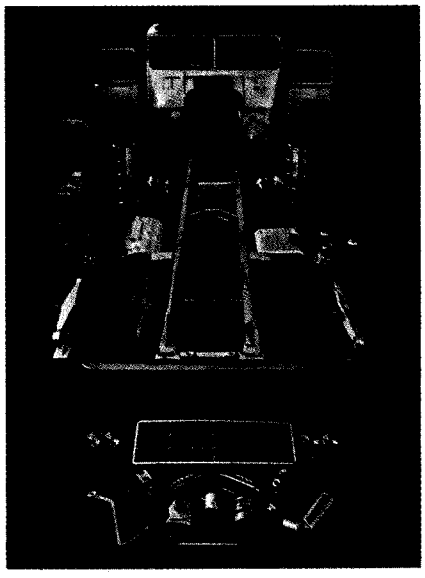
Kingsport University Center
EAST TENNESSEE STATE UNIVERSITY
Library

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Truck drivers have always known what motorists need to know about aluminum.

That aluminum can take it. That it can be engineered to perform as well as the material it replaces. Yet, because it's a weight-saver, aluminum gives you a lighter vehicle that saves gas, brake wear, tire wear, even registration costs in some states.

Aluminum has performed so well in trucks, which are built to last hundreds of thousands of miles, that automotive engineers are now evaluating additional aluminum applications for the automobile—specifically, hoods, wheels, trunk decks, bumpers and bumper reinforcements . . . even, in some cases, aluminum doors. They understand better than most of us that American cars must become less expensive to operate, without sacrificing strength. So, they're specifying strong, lightweight aluminum alloys specially designed for passenger cars.



Sturdy aluminum components that save weight in trucks.

The men who drive truck rigs equipped with aluminum cabs, frame rails, radiator parts, bumpers, fuel tanks, suspension parts and forged disc wheels know how well aluminum stands up over the long haul. Under rough treatment. In all kinds of weather. They also know that lightweight aluminum components pay off financially. Because a lighter rig can carry more payload, yet requires less fuel when rolling. Either loaded or empty.

If you'd like a more in-depth look at how aluminum in automobiles helps in the conservation of energy, send for our brochure, *Energy, Aluminum and the Automobile.* Write to Aluminum Company of America, 983-G Alcoa Building, Pittsburgh, PA 15219.

The reasons for using aluminum are found in aluminum itself.

ALCOA

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

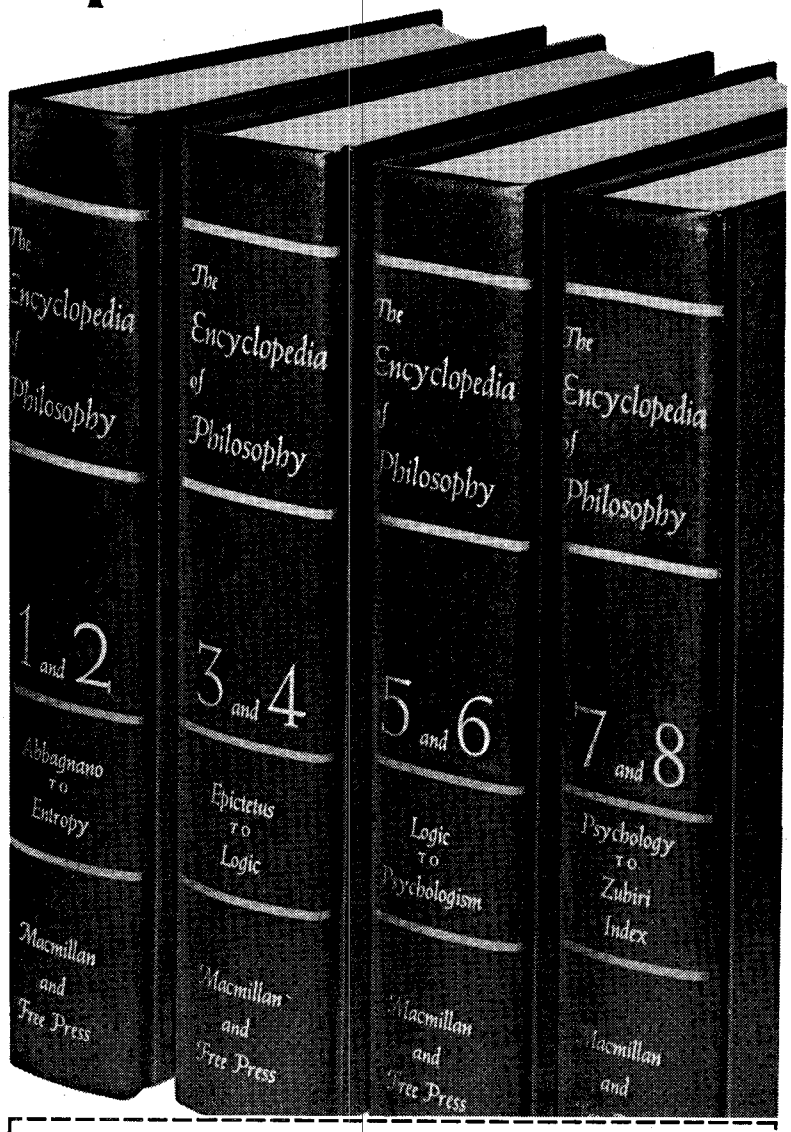
As your introduction to membership in the BOOK-OF-THE-MONTH CLUB®

The most comprehensive encyclopedia of philosophy ever published...

FOR ONLY $17.50

THE SUGGESTED TRIAL
You simply agree to buy four Club choices within a year at substantial savings on most books you choose.

PUBLISHER'S LIST PRICE: $99.50



The complete contents of the original eight-volume $219.50 edition now in a handsome four-volume reader's edition

ONE OF THE GREATEST repositories of philosophical information available anywhere, *The Encyclopedia of Philosophy* is the only major philosophical reference work published in English since 1901.

In this unique 5,000,000-word work can be found clear, authoritative answers to almost any question concerning philosophy—ancient, medieval and modern, Eastern as well as Western. And because the work represents the collaboration of more than 500 philosophers and philosophical scholars from twenty-four countries, every shade of opinion is represented. No thinker or movement is dismissed as too radical, no issue is scanted as too controversial. There are articles, for example, that discuss such contemporary matters as the ethics of suicide and euthanasia and the benefits and dangers of computing machines.

Clearly, *The Encyclopedia of Philosophy* belongs in every personal library, particularly in homes where there are high school or college students. Up to now its high price has kept it out of the reach of most families. But, as a new member of the Book-of-the-Month Club, you may own it for less than a tenth of the cost of the original eight-volume edition. Because only a limited number of sets have been set aside for this offer, you are advised to act quickly.

SPECIAL FEATURES AND EDITORIAL FACTS

- 4200 pages
- 5,000,000 words
- Nearly 1500 articles, including 900 on individual philosophers
- 158-page index
- Paul Edwards, editor in chief
- Editorial Board of 153 international scholars
- Contributors: 500 specialists from twenty-four countries

A SMALL SAMPLING OF THE IDEAS AND PHILOSOPHERS IN THESE VOLUMES

Pain	Atheism	Semantics	The Absolute
Nothing	Free Will	Humanism	Good and Evil
Truth	Nonsense	Linguistics	Existentialism
LOCKE	WITTGENSTEIN	CAMUS	NEWTON
CONFUCIUS	SANTAYANA	KANT	DESCARTES
ERASMUS	SPINOZA	NIETZSCHE	HEGEL
SARTRE	THOMAS AQUINAS	ARISTOTLE	EINSTEIN
RUSSELL	PIAGET	PLATO	KIERKEGAARD

BOOK-OF-THE-MONTH CLUB, INC., Camp Hill, Pennsylvania, 17012 **5-A225-7-1**

Please enroll me as a member of the Book-of-the-Month Club and send me the four-volume reader's edition of *The Encyclopedia of Philosophy*, billing me $17.50. I agree to buy at least four Selections or Alternates during the first year I am a member, paying in most cases special members' prices. My membership is cancelable any time after I buy these four books. A shipping charge is added to all shipments. **65**

MR. / MRS. / MISS .....
(Please print plainly)

Address..... *Apt*.....

City & State..... *Zip*.....

FACTS ABOUT MEMBERSHIP

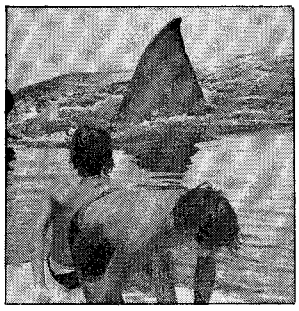
- You will receive the Book-of-the-Month Club *News*, a literary magazine published by the Club fifteen times a year. The *News* describes the coming Selection and scores of Alternates, and will be sent to you approximately every three and a half weeks.
- If you wish to purchase the Selection, do nothing and it will be shipped to you automatically.
- If you do not want the Selection — or you would like one of the Alternates or no book at all — simply indicate your decision on the reply form always enclosed with the *News* and mail it so we receive it by the date specified.
- If, because of late mail delivery of the *News*, you should receive a Selection without having had at least 10 days to decide whether you want it, that Selection may be returned at Club expense.
- If you continue after your trial membership, you will earn at least one Book-Dividend® Credit for every Selection or Alternate you buy. These Credits enable you to acquire for your library a wide variety of books, called Book-Dividends, at astonishing savings — *at least 70% of publishers' list prices*. Under this unique system, more than 100 Book-Dividends will be available to choose from every year.
- All books distributed by the Book-of-the-Month Club are identical to the publishers' editions in content, format, size and quality.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Kingsport University Center
EAST TENNESSEE STATE UNIVERSITY
Library

Page10

Page 42


Page 50

July 12, 1975

FEATURES

4 Editorial *by N.C.*

6 Diversions
by Leo Rosten

41 *SR*'s Twenty-first Advertising Awards

47 NSLA Artsletter

61 Light Refractions
by Thomas H. Middleton

A STRATEGY FOR PROSPERITY

SR Special Report

10 Getting Government Out of the Marketplace
by William E. Simon
Big Government spells Big Trouble—decontrol and decentralization are the keys to a healthy economy.

18 Is "Free Market" a Dirty Word?
An Interview With the Secretary of the Treasury
by John Minahan

24 Recovery and Beyond:
An *SR*-Harvard Business School Colloquium

35 The Perilous Prospects of a Low-Growth Economy
by Gurney Breckenfeld
The coming era of slow growth may well imperil both our standard of living and the future of capitalism.

38 Challenging the Doomsayers
Six future corporate leaders discuss the likelihood of a no-growth America.

BOOKS

42 Essays on John Maynard Keynes *Edited by Milo Keynes*
Reviewed by Max Lerner

44 From Chaos, Capital Gains
by Joseph Poindexter

46 Trade Winds *by William Cole*

MUSIC

49 The Met Opera in Japan
by Irving Kolodin

FILM

50 Fish Story
by Hollis Alpert
The motion picture Jaws *has hit the jackpot with the force of a huge shark attacking its prey.*

THEATER

52 Studies in Black and White
by Barbara Mackay

TRAVEL

57 1776 and All That
by Horace Sutton

GAMESMANSHIP

46 Literary Crypt No. 37

50 Wit Twister No. 50

60 Double-Crostic No. 77

Cover by Judith Adel

Cartoonists: Robert M. Hageman, Al Ross, Malcolm Hancock

SATURDAY REVIEW published bi-weekly by SATURDAY REVIEW/WORLD, Inc., 488 Madison Avenue, New York, N.Y. 10022. Board of Directors: Benjamin J. Buttenweiser, Nathan Cohn, Norman Cousins, S. Spencer Grin, Rev. Donald S. Harrington, Walter W. Hitesman, Joseph S. Iseman, Philip M. Klutznick, David F. Linowes, Cecilia DeGolyer McGhee, George C. McGhee, Patsy R. Nasher, Raymond D. Nasher, Leo Nevas, Carl Schaeffer. Norman Cousins, President; S. Spencer Grin, Executive Vice-President; Nathan Cohn, Senior Vice-President and Treasurer; Richard L. Tobin, Senior Vice-President; Roland Gelatt, Editorial Vice-President; Joseph S. Iseman, Corporate Vice-President and Secretary; Lyn White, Vice-President, Corporate Relations; Robert A. Burghardt, Vice-President of Advertising Services; Advertising Sales—Fraser S. Howe, Larry Leins, Joseph Luyber, William H. Pearson, Wendy Sherman, Richard Walsh; Director of Advertising Services, Robert Ziegler; Promotion Director, Bruce P. Meyers; Advertising Production: Joan Grant; Advertising Representatives—Western Region, R. J. Friedman Associates, Inc., 5643 Lemona Avenue, Van Nuys, Calif. 91411; Midwestern Region, Joseph Wall & Associates, 400 Ascot Drive, Park Ridge, Ill. 60068; Detroit, Robert Burton, Media-Communication, 20630 Harper Avenue, Harper Woods, Mich. 48225; Southeastern Region, James A. Kridel, Inc., 7600 Red Road (Suite 215—A), Miami, Fla. 33143; Circulation Director, George Reeves; Fulfillment Manager, James Hoagland; Classified Advertising Manager, Charlotte Henkel; Accounting Department, Dave Freed, Bobby Levasseur; Advertising Administration, Barbara Harmon, Leni Friedman; Administrative Assistant to the President, Emily Suesskind; Administrative Assistants, Dorothy Murray, Dorothy Re, Mary Swift, Jean Winters. Subscription price in U.S. and its possessions: one year—$14; two years—$24; three years—$30 (all other countries—additional postage $2 per year). Vol. 2, No. 21, July 12, 1975. Back issues are $1 per copy. Entered as second-class mail in New York, N.Y., and at additional mailing offices. © 1975 by SATURDAY REVIEW/WORLD, Inc. All rights reserved under the Berne and Pan-American copyright conventions. Reproduction in whole or in part of any article (in English or other languages) without permission is prohibited. Printed in the United States of America. Available also in 35mm microfilm and microfiche. SATURDAY REVIEW/WORLD, Inc., assumes no responsibility for any non-commissioned manuscripts, photographs, drawings, or other material. No such material will be returned unless submitted with a self-addressed envelope and sufficient postage. Send all remittances and correspondence about subscriptions, undelivered copies, and changes of address to Subscription Dept., SATURDAY REVIEW Magazine, P.O. Box 2043, Rock Island, Ill. 61206, or phone Ms. André, 319-732-3451.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It's not new. It's proved.

Catalytic converter, standard equipment on 1975 model GM cars.

After more than a billion miles on the road, GM's catalytic converter has become a world standard in fuel-saving pollution control devices. Auto-makers in Europe, Asia and North America have contracted to buy converters from GM.

In operation on 1975 cars, the converter has proved that exhaust emission of carbon monoxide and hydrocarbons can be reduced by about 50% from the already lowered 1974 levels. And at the same time gas mileage on GM cars has been increased in city driving by 28% on a sales-weighted average, according to EPA calculations.

The converter is the kind of startlingly effective advance in automobile engineering that challenges other technology. It demands lead-free, low sulfur fuel. It leaves behind a lot of other pollution control concepts that don't have its qualities of durability and its fuel-saving characteristics. So the converter has come in for a bit of what we call "wishful criticism."

The fuel-saving, ecologically sound catalytic converter. Standard equipment on 1975 cars from General Motors, a world leader in automotive pollution control technology.

General Motors

Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac, GMC Truck

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Saturday Review

Editor — Norman Cousins

Publisher — S. Spencer Grin

Chairman, Board of Directors — George C. McGhee

Managing Editor
Peter Young

International Editor
Roland Gelatt

Editorial Director
Horace Sutton

Executive Editor
Richard L. Tobin

Lively Arts Editor
Hollis Alpert

Music Editor
Irving Kolodin

Senior Editor
Hallowell Bowser

Science Editor
Albert Rosenfeld

Education Editor
James Cass

Contributing Editors
Goodman Ace • Cleveland Amory • John Ciardi
William Cole • R. Buckminster Fuller • Henry Hewes
Katharine Kuh • Thomas H. Middleton • Leo Rosten
Walter Terry • Margaret R. Weiss • Roger M. Williams

Art Director
Judith Adel

Copy Editor
Michael Schrader

Book Review Editor
Susan Heath

Assistant Art Director
Pauline Ann Girard

Assistant Editors
Gina Grant • Hubert B. Herring
Jane Anne Majeski
Susan Schiefelbein

Controller
Nathan Cohn

Associate Publisher
Corporate Relations
Lyn White

Vice-Chairman
Walter H. Johnson, Jr.

Dartmouth IX

Moscow

For 15 years, American and Soviet citizens have been meeting quietly at fairly regular intervals to discuss outstanding issues between the two countries. The meetings were originally suggested by President Eisenhower. Private citizens who enjoyed the confidence of both governments, General Eisenhower believed, might help to prepare the ground for effective negotiations by the diplomats.

The first meeting was held in 1960 at Dartmouth College, in Hanover, N.H., which is how the series got its name. The ninth meeting of the series was recently concluded in Moscow under the auspices of the C. F. Kettering Foundation, of Dayton, Ohio. By this time, enough of a tradition has been established to enable the participants to communicate without pronouncements, proclamations, or fulminations. Dartmouth IX in Moscow considered three key issues:

1. The breakdown in the trade agreements between the two countries;
2. The crisis in the Middle East;
3. The need for fresh approaches to the fast-mounting danger of the arms race.

The three subjects were discussed in the context of the present status of détente. Ever since the first meeting between President Nixon and Party Secretary Brezhnev, the Russians have used the word *irreversible* to emphasize their feeling that détente must be a permanent feature of U.S.-U.S.S.R. relations. Yet the fabric of détente today is wearing thin. The Soviet government called off the large-scale trade agreement with the U.S. as the result of Senator Jackson's amendment that tied the issue of Jewish emigration from the Soviet Union to the bill giving "Most Favored Nation" status to the U.S.S.R. The fact that Senator Jackson tried to use the trade agreement as leverage for increasing the number of exit visas for Jews was regarded by Soviet leaders as an intrusion into their domestic affairs. Up to the time of the Jackson Amendment, the exit-visa situation had opened up considerably, with the total number of émigrés reaching Israel topping 100,000 early this year. But the Jackson initiative, however well-intentioned, produced exactly the opposite effect from the one intended. The exodus has now slowed to a trickle.

Another item in the news that seemed to Soviet delegates to run counter to the spirit of détente was Secretary of Defense Schlesinger's reported statement that détente is not a justification for cutting back on military spending. Nor were the Soviet representatives reassured by Mr. Schlesinger's reported remarks about the readiness of NATO forces to use atomic weapons against the Soviet Union in event of war.

The American participants at the Ninth Dartmouth Conference, in Moscow, made no attempt to gloss over those reports. In fact, they felt it important to describe the full extent of opposition to détente inside the United States. They explained that such expressions were a familiar and essential feature of a pluralistic society.

The American delegates sought clarification from their Soviet colleagues about opposition to détente inside the Soviet Union. How was one to appraise an article in a Soviet ideological journal which made it appear that détente was viewed in inner Communist circles as a tactic to weaken American capitalist society? The Americans called particular attention to the attempt of the article to justify détente as being consistent with Marxism since it would have the effect of causing the United States to lower its guard.

The Soviet participants expressed amazement and disbelief at this recital and requested full documentation. The Americans produced an article by A. I. Sobolev in the Russian journal *Rabochiy Klass I Sovremennyy Mir*. Georgi Arbatov, co-chairman of the Soviet delegation and director of the Institute of U.S. Studies, the U.S.S.R. Academy of Sciences, said he had not seen the article in question but could assure us that the views we had just attributed to it were totally at variance with the position of the Soviet government. He emphasized, however, that it would be just as much of a mistake for the Americans to believe that the Soviet Union is abandoning its ideology in order to pursue détente as it would for the Soviet participants to believe that the United States is in any way giving up its own political philosophy to pursue détente. As he saw it, détente meant the need to place common interests ahead of outdated antagonisms. In any case, Mr. Arbatov said, the Sobolev article would be carefully read, after which the Soviet participants would provide their American colleagues with a full explanation.

The Conference thereupon plunged into the first item on the agenda—namely, the general trade agreements in the light of recent events.

David Rockefeller, leading off for the American participants, said it would be a mistake to regard the absence of a Most Favored Nation Treaty with the Soviet Union as a fatal obstacle to increased trade between the two countries. He reminded the group that, even with-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out MFN, the dollar value of goods exchanged between the two countries had more than quadrupled in two years. His main point was that exchanging goods, like exchanging ideas, is a far healthier way for nations to make an impression on one another than exchanging threats or firepower. The main benefit of MFN, he said, is in the area of credits. He was hopeful that ample credits could be arranged by other means.

Soviet trade specialists replied cordially to Mr. Rockefeller. They said they welcomed the prospect of expanded trade with the United States but didn't want the Americans to believe that the U.S.S.R. will be critically disadvantaged if that expansion, for whatever reason, does not materialize. They presented figures to show that the Soviet Union, as the result of the Jackson amendment, had merely placed its orders elsewhere. Six countries, led by West Germany and Japan, are now ahead of the United States as sellers of goods to the Soviet Union. In fact, the volume of business with West Germany and Japan in the last six months has increased sharply over the corresponding period last year. But Soviet delegates welcomed the American statement that substantial possibilities still exist for improved trade, and they reaffirmed their belief that economic ties between the two countries enhance the prospects for détente.

ON THE SUBJECT of the Middle East, Landrum R. Bolling made the opening statement for the U.S. delegation. Dr. Bolling, whose expertise on Middle Eastern affairs goes back more than two decades, is executive vice-president of Lilly Endowment, Inc., which has been supporting projects in Israel and the Arab countries that are consistent with the peaceful development of the area. Dr. Bolling reviewed the events of the past year, saying that nothing was more foolhardy, shortsighted, or dangerous than for either the U.S. or the U.S.S.R. to exploit the Arab-Israeli confrontation for national advantage. He suggested approaches by the Soviet government leaders that might moderate the position of Arab leaders in the direction of recognition of Israel. He re-emphasized the need for Israel to return the occupied territory as an essential feature of a comprehensive peace. He believed the best way to resolve the Palestinian problem was through the creation of a mini-state on the West Bank.

Spokesmen for the Soviet delegation supported Dr. Bolling's view that both major powers had an important role to play in the Middle East. The Americans were left with the strong impression, however, that the Soviet delegates regarded Henry Kissinger's Middle East policy as contradictory. The point was made by one of the Soviet delegates that he didn't see how the Soviet leaders could be expected to play a significant restraining role with the Arab nations, as Dr. Kissinger had been urging, if they were excluded by Dr. Kissinger himself from an equal role in peacemaking.

Dr. Bolling's view that the conditions of peace included both Arab recognition of Israel and Israel's return of occupied territory was described as theoretical by one of the Soviet delegates. He cited his own exchange of views with an Israeli spokesman at a recent international conference. He said he had asked the Israeli to describe the circumstances under which Israel would be prepared to return the occupied lands, and said that he had waited in vain for a reply.

I said I might have something to contribute to the discussion, having recently been in the Middle East and having put the same question to Israeli government officials. The answer I received was completely unambiguous: Israel was prepared to relinquish occupied territory as part of a genuine peace settlement in which the Israeli and Arab people could rub shoulders together—just as Americans and Russians, despite their differences, were now able to do; a peace in which recognition by the Arab nations would not be a tactic but an ongoing fact of life. Since this had been reported to me not just by government officials but by the Knesset (Parliament) leaders and military spokesmen, I hoped the information was responsive to the present trend of the discussion.

Professor Zbigniew Brzezinski, a U.S. delegate and director of The Trilateral Commission, called attention to two ways of improving the chances for peace in the Middle East. First, the U.S. and the U.S.S.R. might seek to agree on a statement defining the essentials of a lasting peace in the Middle East. A joint statement might serve to eliminate a great deal of the confusion about exactly what it was the two major nations were urging Arab and Israeli leaders to do.

Another point made by Professor Brzezinski concerned the need to anticipate the strong possibility that Arab nations might seek majority support at the U.N. General Assembly this coming fall for a resolution that would oust Israel.

The obvious danger of such an ouster or even an ouster attempt would be to push Israel into a position in which war becomes inevitable. The Soviet delegates were urged to persuade their government to be on the alert for such a move at the next session of the U.N. General Assembly and to prevail upon Arab leaders to avoid such provocative action.

Still another suggestion made by the American delegation was that the Soviet Union might restore its own recognition of Israel, thus setting an example for the Arab states. Soviet delegates attempted to reassure the Americans on this matter, saying that their government has no intention of taking a hard line. They indicated that withdrawal by Israel from occupied lands could be the occasion for full recognition by the U.S.S.R. of Israel as an independent nation.

The third and remaining issue on the agenda was the arms race. The opening statements by the Soviet delegates were clearly supportive of the SALT agreements at Vladivostok. In previous Dartmouth conferences, the Soviet representatives had continually stressed the need for arms parity and equality, although these two terms were never fully defined. It seemed apparent that psychological as well as military factors were critical in any assessment by Soviet authorities of their security position vis-à-vis the United States. It would appear, judging not only from the Soviet reactions at Dartmouth IX but from Soviet press comment, that the Vladivostok agreements have satisfied Russian expectations of "equality" and "parity."

The Dartmouth conferees had little difficulty in recognizing the present spiraling danger, especially with reference to the spread of nuclear weapons throughout the world—and the consequent danger that some countries might resort to nuclear blackmail in order to force major nations like the U.S. and U.S.S.R. to share resources or wealth or both. Yet most of the delegates at Dartmouth IX did not reflect the growing helplessness one encounters in many parts of the world over the prospects for restoring sanity to the search for security. They seemed to feel that public opinion might yet be aroused to compel the political leaders to halt the present slide toward the nuclear brink. N.C.

EDITOR'S NOTE: *Part II of the report on Dartmouth IX will be published in the next issue.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Diversions

by Leo Rosten

Ferment in Our Churches

Our churches are in as much turmoil as our political institutions. Both are caught in a revolution of our moral and ethical codes. Consider these dramatic facts, chosen at random:

• About 75 percent of the American people think "religion is losing its influence."

• Only 50 percent of Roman Catholics attend church during an average week, and only 37 percent of Protestants attend.

• An official commission of 26 Roman Catholic and Lutheran theologians has concluded that "papal primacy" need no longer be a "barrier to reconciliation" between their churches. This may prove to be the most historic event in Lutheranism since Martin Luther nailed his astounding manifesto to the door of All Saints church in Wittenberg.

• In Philadelphia four bishops of the Episcopal church defied their superiors and were present when 11 women—the first in the history of the church—were ordained as Episcopal priests.

• The birthrate among Catholics is rapidly declining and will soon approach the birthrate for Protestants and Jews.

• Of the Catholic women polled, 83 percent oppose the Vatican's strict ban on the use of "artificial" birth-control devices; 37 percent stated that they use the contraceptive Pill; fewer than one-third use the rhythm method recommended by the church.

• The Episcopal church has so liberalized its position on divorce that excommunication is no longer imposed on those who ignore the church's earlier requirement that a remarriage be judged and approved by a bishop.

• The Rabbinical Assembly, representing Conservative Judaism, has voted to "count" women henceforth for a *minyan* —the minimum number of adults (10) needed for communal worship.

• The Fortieth International Eucharistic Congress, in Melbourne, Australia (1973), replaced solemn portions of the Roman Catholic mass with ecstatic dances, songs, embraces, handclapping, stamping, and spontaneous shouting—one aspect of the Pentecostal movement in Christian churches.

• Roman Catholics, asked whether a divorced Catholic who remarries is "living in sin," responded: no, 60 percent; yes, 28 percent; don't know, 12 percent.

• In 1972, 67 percent of the adult American public approved of marriages between Christians and Jews. (In 1968, 59 percent held this view.)

• Deacons of the Roman Catholic Church may now be laymen—a revival of the ancient form of Christian ministry. Within the past year, 13 laymen in the New York archdiocese have been ordained as deacons and have presided over weddings.

THE FERMENT within Roman Catholicism is perhaps the most dramatic (and surely the most publicized) revelation of the rebellion agitating our religious orders. Consider these highlights from a survey of American Catholics over 17 years of age.

• Over a third do not attend Sunday mass regularly.

• Two-thirds have not gone to confession within the preceding two months.

• Over two-thirds predict that the church will have to abandon its disapproval of divorce.

• One-half favor a relaxation of the church's prohibition of abortions.

• Less than 10 percent of the Catholic laity think that their children will "lose their souls" if they leave the church.

• Sixty-four percent of Roman Catholic *priests* under 40 disagree with the Vatican's ban on the use of "artificial devices" for birth control.

• A Gallup poll estimates that 2,500 Catholic priests are "dropping out" each year.

• Among *priests* 39 years old and younger, 77 percent hold that priests should be allowed to marry; 52 percent of all priests polled agreed.

• Almost 80 percent of the Roman Catholic laity polled in 1974 favor allowing priests to marry.

• Almost a third of American Catholics would support the ordination of women as priests.

• "Should priests who marry be excommunicated?" The Catholic clergy responded: no, 60 percent—and 79 percent of those 39 years old and younger.

• Of white Catholics, only 21 percent said they would respect a "priest's exhortation" to integrate their neighborhoods; 46 percent would refuse Holy Communion from a black priest.

HOWEVER I INTERPRET this mass of hard data, I cannot help concluding that the fortresses of faith are experiencing the most profound alterations in centuries. Church authority is being challenged on a dozen fronts. Traditional creeds are being drastically revised. Hallowed cannons are being shelved. Religious practices are changing daily. Church leaders are beleaguered by new, bold, persistent demands—from their clergy no less than from their congregations.

It is not hyperbole to say that we are witnessing a remarkable erosion of consensus within the citadel of belief. What prophet, what theologian, what historian or scholar could have predicted the militant participation of clergymen in civil-rights marches, the presence at Catholic altars of Protestant and Jewish clergymen during marriage ceremonies, the "God is Dead" debate, the open campaign of homosexuals against anathematization, the mounting skepticism about the validity or effectiveness of church teachings, the growth of "charismatic" groups and interfaith communes, the phenomena of "jazz masses" and rock-and-roll music in cathedrals . . . ?

We are in the eye of a storm. The velocity and power of that storm should surprise the most sophisticated observers. □

Note: *This article is based upon the preface to* The Religions of America: Faith and Ferment in a Time of Crisis, *published by Simon & Schuster.*

Leo Rosten, a Ph.D. in political science, has just been made Honorary Fellow of the London School of Economics and Political Science.

ANSWER TO MIDDLETON DOUBLE-CROSTIC NO. 76

DENA KAYE:
(SEEING) THE WORLD ON NOTHING (A DAY)

Take a walk from Europe to Asia on the Bosporous Bridge in Istanbul, spanning the waterway that joins the Black Sea to the Aegean and separates two continents. . . . Return to Europe by boat; the ferries from Uskudar to Galata Bridge . . . cost only a dime. From *Saturday Review*, March 22, 1975.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Uncle!"

The Chase is troubled. That Americans are saying "Uncle!"

Giving up, bit by bit, what our country really stands for. Even starting to disbelieve in its potential for creating the most humane and prosperous society on earth.

We do face some hard facts:

Fact: A tabulation of growth rates by the Organization for Economic Cooperation and Development of 20 advanced economies for 1960-70 put the U.S. in 18th place.

Fact: We anticipate a capital shortfall of $1.5 trillion over the next ten years. Which means we'll be underinvesting $400 million a day every day of the decade.

A continuation of our present policies will lead us to a situation of far greater peril.

Chase believes the highest priority of our economy should lie in the nurture and stimulation of capital formation.

Because everything the American people want and need grows out of that:

Assume we meet the challenge, and invest sufficient capital to sustain a 4.2% real growth rate, America in 1985 would have:

A 43% decline in the number of people living in poverty. Which means 10.6 million fewer poor people.

17 million more jobs for Americans. The work force would grow from 86 million to 103 million people. Up 20%.

An increase in median family income of 59.2%. From $12,051 in 1974 to $19,191 by 1985. Based on constant 1974 dollars.

31.6 million more housing units. Up 47% from 1970. And only 5% of total housing substandard. A 40% improvement over 1970.

And the figures above are well within the possible.

How do we do what needs to be done?

Chase proposes a six-point program:

- Provide sufficient inducements for an ever-growing base of personal savings.
- Establish more realistic guidelines for depreciation allowances.
- Give preferential tax treatment for retained corporate earnings used for investment purposes.
- Ameliorate our relatively harsh treatment of capital gains compared with that of most other countries.
- Stabilize our fiscal and monetary policies to prevent violent swings in the economy.
- Eliminate unnecessary controls. And do away with outmoded government regulations and agencies that restrict our free market economy.

Capital formation must be government's business, businesses' business, labor's business, banking's business — everybody's business.

Your business.

CHASE

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The next giant leap for mankind.

One small step for a man, six years ago, became a giant leap for mankind. Now Soviet cosmonauts and U.S. astronauts prepare for the next giant leap: the union of two spacecraft and two nations 140 miles above Earth.

Sunday July 13, Western Union presents "Union in Space," an exclusive ABC News television documentary on preparations for the Apollo-Soyuz Test Project. Science editor Jules Bergman traces the progress of U.S. and Soviet space exploration, including an unprecedented visit to Zvezdny Gorodok (Star City), center of the Soviet space program.

Tuesday July 15, "Union in Space" begins 10 days of mission coverage, including live coverage of the Soviet launch, and climaxing when astronauts and cosmonauts rendezvous high above Earth.

The entire ABC News coverage of this historic event is presented by Western Union, pioneer of domestic satellite communications in America.

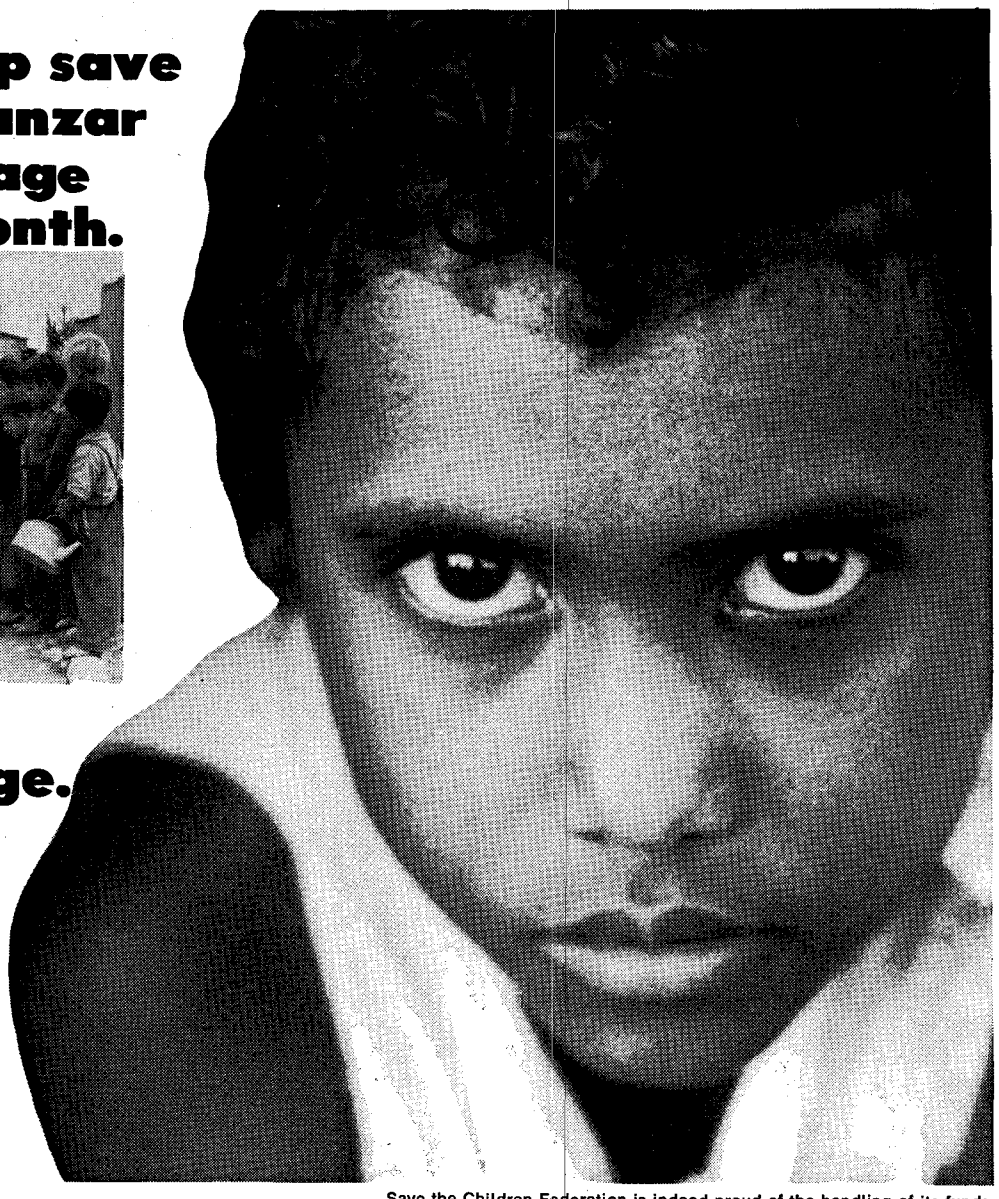
western union

Western Union presents "Union in Space" on ABC-TV.

Documentary special Sunday July 13, 9:30 p.m. (8:30 p.m. Central). Live coverage July 15-24.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

You can help save Maria Almanzar and her village for $16 a month.



Or you can turn the page.

You enter Maria's house through a tiny store.
Chickens peck at the vegetables that sit unsold
on the dirt floor.
Through a curtain at the back, two small bedrooms.
Since Maria's father abandoned the family
only six people live in these two rooms.
You won't find any electricity, running water, or a bathroom.
You will find a deep sense of despair.

Multiply this scene by 105 other houses and you have a picture of Maria's village. Most of the children grow up illiterate and undernourished while their parents eke out an existence on the land. For $16 a month, through Save the Children Federation you can help Maria and her village help themselves. Your $16, combined with money from other sponsors, can help the community build schools, sink wells, and buy livestock to increase incomes so that everyone will benefit. This in turn can provide these children with food, clothing, shelter.

This is the Maria Almanzar story. This is what Save the Children has been all about since 1932. For you there are many rewards: a chance to correspond, receive a photo and progress reports. Above all, to know you are reaching out to other human beings. That's how Save the Children works. But without you it can't work. So please: clip this coupon and mail it today. Now you can turn the page.

Save the Children Federation is indeed proud of the handling of its funds. An annual report and audit statement are available upon request. Member of the International Union for Child Welfare and the American Council of Voluntary Agencies for Foreign Service. Contributions are income tax deductible.

SRW 7/12/75

I wish to contribute $16 a month to sponsor a
☐ boy ☐ girl ☐ either:
☐ **Where the need is most urgent**

☐ Appalachia (U.S.)	☐ Inner Cities (U.S.)
☐ Bangladesh	☐ Israel
☐ Colombia	☐ Korea
☐ Dominican Republic	☐ Lebanon
☐ Greece	☐ Mexico
☐ Honduras	☐ Southern Black (U.S.)
☐ Indian (U.S.)	☐ Tanzania

Enclosed is my first payment:
☐ $48 quarterly ☐ $96 semi-annually ☐ $192 annually
☐ $16 monthly
☐ Instead of becoming a sponsor, I am enclosing $_____ for the SCF General Fund.
☐ Please send me more information.

NAME_____TEL. NO._____

ADDRESS_____

CITY_____STATE_____ZIP_____

David L. Guyer, Executive Director

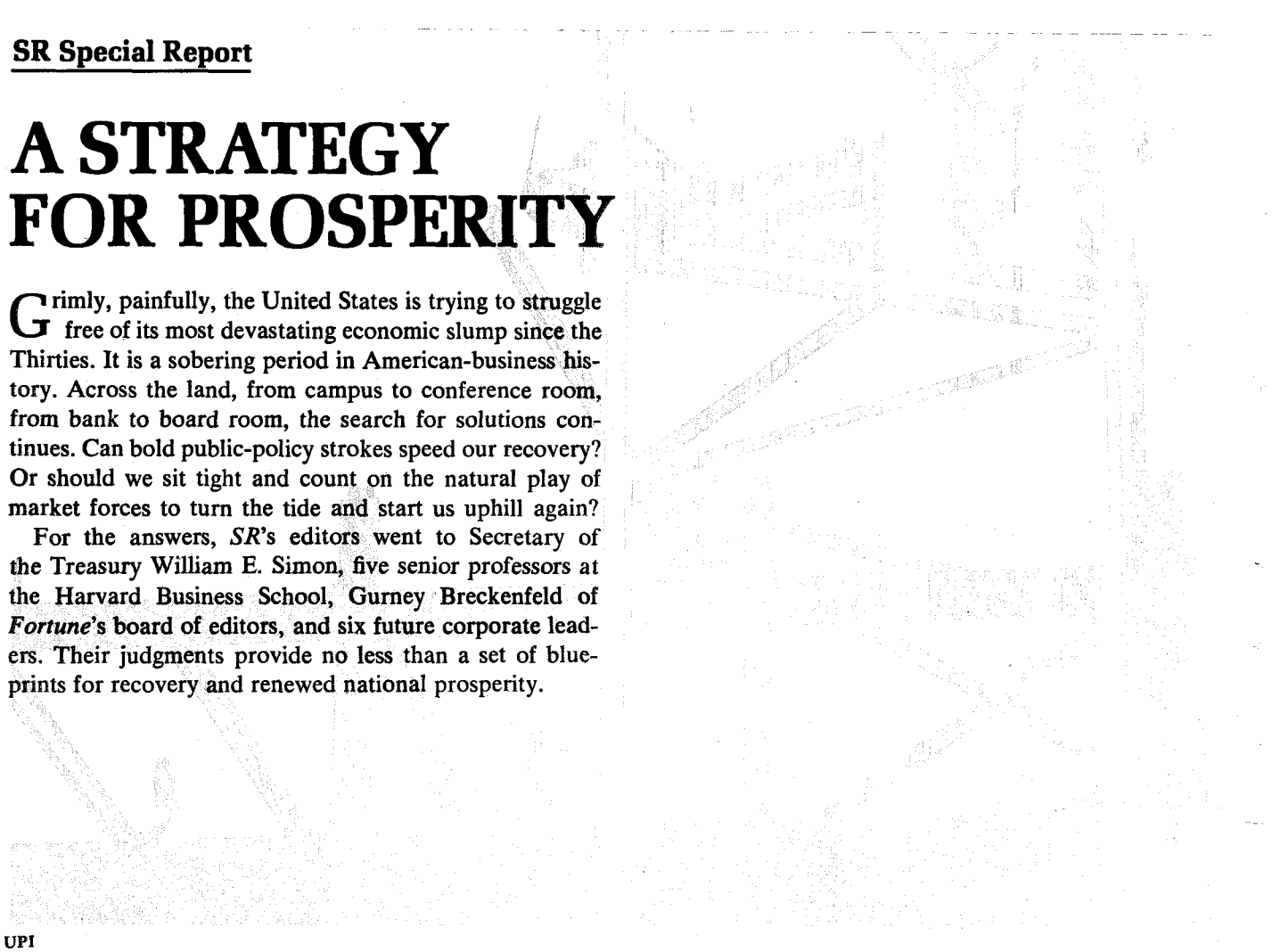
SAVE THE CHILDREN FEDERATION
345 East 46th Street, New York, N.Y. 10017

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A STRATEGY FOR PROSPERITY

Grimly, painfully, the United States is trying to struggle free of its most devastating economic slump since the Thirties. It is a sobering period in American-business history. Across the land, from campus to conference room, from bank to board room, the search for solutions continues. Can bold public-policy strokes speed our recovery? Or should we sit tight and count on the natural play of market forces to turn the tide and start us uphill again?

For the answers, *SR*'s editors went to Secretary of the Treasury William E. Simon, five senior professors at the Harvard Business School, Gurney Breckenfeld of *Fortune*'s board of editors, and six future corporate leaders. Their judgments provide no less than a set of blueprints for recovery and renewed national prosperity.



UPI

Getting Government Out of the Marketplace

Big government is speeding us down a road paved with runaway federal budgets, and controls that are strangling our economy, contends the Secretary of the Treasury.

by William E. Simon

For more than 40 years, we have turned increasingly to the government to solve our economic and social problems, because it presumably represents the single most effective and accountable source of power within our society. Yet, as the government has enlarged its dominion over our affairs, it has become apparent that concentrating power in Washington can be inefficient, wasteful, and ultimately destructive to our freedoms. Indeed, I believe that the forces of big government—however well intentioned—bear a significant responsibility for creating the mess we have in the economy today, and until we wake up to that fact, we may well sink deeper and deeper into the morass.

The Threat of Big Government

Before we succumb to temptation and wander still farther down the path of centralization, it is urgent that we take a hard look at where we're going:

• *Item.* In 1930, just before the New Deal, total government spending—local, state, and federal—accounted for 12 percent of our Gross National Product. Today it has grown to over 33 percent of our Gross National Product, and if present trends continue, it will constitute nearly 60 percent of GNP by the year 2000. Any government that taxes away more than half of what people earn and produce is utterly certain to dominate their personal lives.

• *Item.* It took 186 years for our federal budget to reach the $100 billion figure, a line it crossed in 1962. Only nine more years were required for the budget to reach the $200 billion mark and then only four more years—this year—for it to top $300 billion.

The sum of $300 billion is beyond comprehension for many people. If, on the day that Christ was born, someone had been given all of that money and was told to spend $400,000 a day until the money ran out, he would still have cash on hand today.

• *Item.* Excluding the war years, the federal budget ran a surplus about four out of every five years until the Thirties. When we close the books on the current fiscal year, we will have had 14 deficits in the past 15 years.

• *Item.* One out of every five working people is now employed by the government at the federal, state, or local level. The government has become the nation's

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

biggest boss, employing more people than do the auto industry, the steel industry, and all other durable-goods manufacturers combined.

• *Item.* In 1963 the federal government sponsored 160 different grant programs. Then along came the Great Society, and today we have more than 900 different grant programs, a hodgepodge so immense that the government has been compelled to print a catalog of programs to keep track—and the catalog is thicker than the Manhattan telephone directory.

The spending and employment figures tell only part of the story, for hidden from the glare of normal reports on the government has been its increasing dominance of the private capital markets. Traditionally, those markets have provided money that industry has needed to borrow in order to expand and to employ new workers. In recent years, however, more and more of the money available in the private markets has been siphoned off to finance deficits and other borrowing needs of the government. During the coming fiscal year, total government borrowing will soak up more than 80 percent of the net new funds available in the private capital markets. Less than 20 percent will be left for private enterprise. This is an alarming situation, reflecting the even more alarming growth of government in this country.

It's not that big government *per se* is undesirable, just as bigness in any organization is not undesirable *per se*. Big Government becomes Bad Government because of what it does to our economy and what it does to our personal freedoms. To an extent far greater than it is commonly realized, the practices and policies of American government are at the root of many of the difficulties we are experiencing today:

IMPACT OF BIG GOVERNMENT ON INFLATION AND GROWTH. Much of today's inflation, for instance, can be directly traced to the patterns of large government spending and to the ever larger deficits accumulated during the past decade. Lord Keynes is often cited for the proposition that when the economy is weak, deficit spending by the government helps to pump it up; the corollary to his theory, of course, is that when the economy is strong and inflationary, the government should discipline itself to achieve budgetary surpluses and stabilize prices. Instead, in our incessant desire to buy more than we can afford as a nation, we have slipped into a pattern of loose deficit spending every year, good and bad. And because the economy was booming during much of the past decade, federal budget deficits have become a major source of economic and financial instability.

Monetary policy has been another inflationary element in this witches' brew. Between 1955 and 1965 the money supply grew at a rate of about 2.5 percent a year, and we enjoyed a period of reasonable price stability. Since 1965, however, the annual rate of increase in the money supply has more than doubled, to nearly 6 percent. When monetary stimulus goes far beyond the sustainable growth level that is needed for stable economic growth, as it has over most of the past decade, the only way that extra money can be absorbed is through higher prices. Although monetary policy was more restrictive during most of 1974, the long-term trend has been in the direction of too much money for our own good.

The inflationary momentum generated by fiscal and monetary policies was sharply accelerated in the past few years by the explosion in food prices, the quadrupling of oil prices, the ill effects of wage and price controls, and other factors. And as inflation hit record peacetime levels, it had a secondary effect: it tipped the economy into a downward spiral toward recession. As prices went up, consumer confidence declined, bringing the biggest drop in consumer purchases since World War II. As inflation drove up interest rates, the housing market also fell and housing—one of our largest industries—went into a deep slump. In short, inflation has been a major factor in creating the recession and remains our most fundamental underlying problem.

IMPACT ON PRODUCTION. Closely related to the inflationary pressures created by the government are the impediments that restrictive government policies place on production. Government interventions in the free marketplace, even when done for the most laudable of purposes, frequently result in less competition, less incentive for production, higher costs, higher prices, and ultimately fewer goods and services than we need.

Federal regulation of natural gas is a classic example of government intervention that has backfired. For more than two decades, despite repeated warnings by experts, the Federal Power Commission has controlled the wellhead price of natural gas at an abnormally low level in order to hold down prices for consumers. In the process, however, the FPC has also discouraged producers from developing new supplies, and today we have a shortage of natural-gas supplies. An increasing number of consumers, especially in New England, are unable to obtain natural gas and must substitute oil or foreign liquefied natural gas at a considerably higher price. Government regulation has, in effect, created a national shortage of natural gas and has driven many consumers to higher-priced fuels.

The most realistic solution is to deregulate the price of new natural gas, a move strongly supported by both the Nixon and the Ford administrations. In Congress, where such legislation has lain dormant for over three years, critics argue that deregulation would allow the price of natural gas to skyrocket. It is true that prices would rise, but the objection is misleading. For consumers now forced to rely upon oil instead of on natural gas, our estimates show that the higher price of deregulated natural gas should still be only two-thirds as much as the oil equivalent. Moreover, we must soon come to realize that if we want to maintain a growing economy, we will inevitably have to offer greater production incentives to the energy industry as well as to other businesses in this country.

I could go on at length about the perversities of governmental intervention in the marketplace, and even then I would want to set aside a special volume for another particularly vexing problem: the practices of the eight independent regulatory agencies of the federal government and other regulatory bodies at the national and state level. The regulatory agencies of the federal government now exercise direct control over air, rail, and truck transportation, the securities markets, power generation, television, and radio—industries that account for 10 percent of everything made and sold here. Although the agencies were initially set

"The ethics of thrift and savings has been replaced by the ethics of instant pleasure, and we have turned to the modern state to satisfy our hunger."

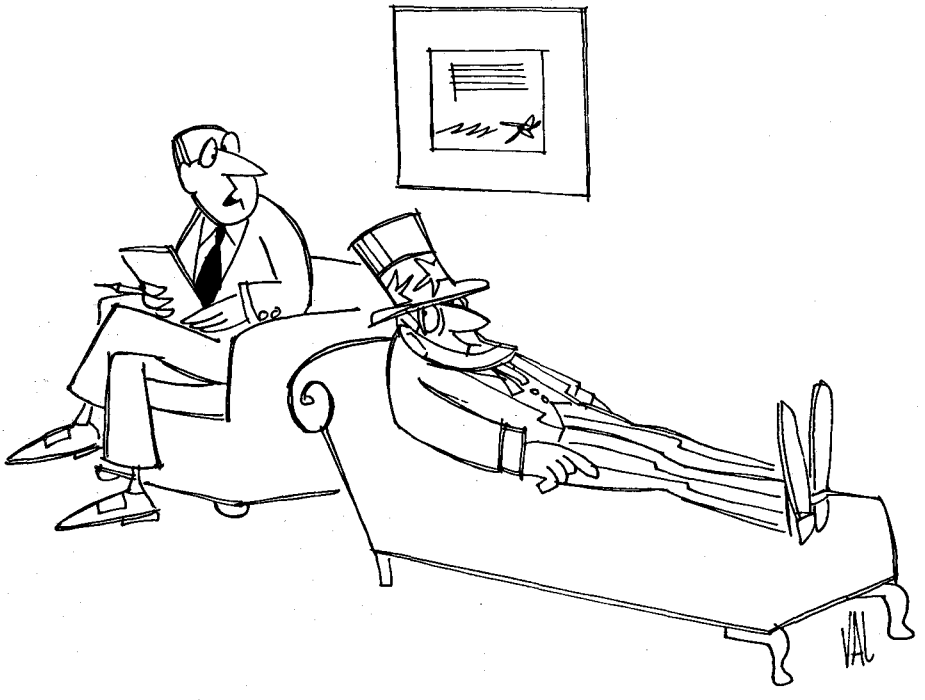
PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

up for good reasons and may still be needed for some purposes, the regulatory process is in dire need of reform. Over the years, regulation of industry has become complex, cumbersome, inefficient, and overly protective—all at the expense of the consumer. The Interstate Commerce Commission, for instance, now has on its books some 40 trillion rates and 400,000 new tariff schedules telling the transportation industry what they can charge customers. With the help of Ralph Nader and others, including one of the agencies' most thoughtful chairmen, the Federal Trade Commission's Lew Engman, egregious regulatory practices are finally attracting greater attention.

IMPACT ON ECONOMIC GROWTH. Of even greater concern should be the general downward trends in business profits, in capital growth, and in productivity—all contributing to a slowing of the economy in recent months. I often wonder whether we have forgotten the economic facts of life. To put it simply, companies have traditionally depended upon profits to upgrade and expand their operations. As the companies have grown and become more efficient, workers have increased their productivity and have thus been able to earn higher incomes without raising the cost of living. New workers could also be added to the payrolls. In turn, as the general standard of living has increased, the public has increased its demands for goods and services and thereby generated still further profits—continuing the benefit cycle. This cycle is the essence of free enterprise, the system that has provided the United States with the highest standard of living the world has ever known.

Clearly, that system is no longer working as well as it should. It has developed problems of its own, and we have abused it and let many of its parts become rusted and worn. To pay for the rising costs of government, we have transferred more and more of our wealth from the most productive part of our economy, the private sector, to the least productive part, the public sector. We have shackled the free-enterprise system with many different forms of controls, and we have erected a tax system that exacts heavy penalties, especially during periods of extreme inflation. To put people back to work, not only must we provide public service jobs but also, more importantly, we must return to economic fundamentals.

Profits have suffered a perilous decline since the mid-Sixties. Indeed, when they are measured realistically, it is not unfair to say that the country has entered a "profits depression." Declining profits? How can that be, you may ask, when "reported profits" by non-financial corporations were almost twice as high in 1974 as in 1965? The answer is that the apparent rise since 1965 is an optical illusion caused by inflation and outmoded accounting methods.



"You should have come to me sooner."

The effect of declining profits reverberates throughout the economy. This is perhaps most easily seen in figures for retained earnings—the money that business has available to finance *new* plant and equipment, as distinguished from the replacement of existing capacity. In 1965 our best measurements showed that retained earnings amounted to $20 billion. By 1973, after eight years in which real GNP had increased by 36 percent, retained earnings had *dropped* 70 percent, to $6 billion. And for 1974, our preliminary estimate for retained earnings is a *minus* figure of $16 billion. We have moved into the position of hardly having enough profits to replace existing capacity and nothing to finance investment in additional plant and equipment.

Another simple but compelling fundamental is that increases in productive performance are needed in order to sustain a higher standard of living. Yet, as a nation, we are rapidly expanding public payments to individuals but neglecting to provide adequate incentives for new investment. Since the early Sixties, the United States has had the worst record of capital investment of all major industrialized nations. As a result, our rate of productivity growth has also been one of the lowest. It bears repeating that increased productivity is the only way to increase our standard of living.

Unless we are willing to accept a lower standard of living, it is imperative that we make better provision for the future. The capital requirements of a growing American economy over the next decade will be enormous—at least *three times* those of the past decade. We will need up to a trillion dollars for energy alone, and we will need extremely large sums for urban transportation, control of pollution, and the rebuilding of some of our basic industries in which new investment has languished. In addition, we face the more conventional, but still mammoth, capital requirements of replacing and adding to the present stock of housing, factories, and machinery. All of this means that we must begin placing much greater emphasis upon saving and investment and much less upon consumption and government spending.

Three Roads to Nowhere

In concluding his famous essay *On Liberty*, John Stuart Mill made the following observation:

A state which dwarfs its men, in order that they may be more docile instruments in its

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hands even for beneficial purposes, will find that with small men no great things can be accomplished; and that the perfection of machinery to which it has sacrificed everything will in the end avail it nothing, for want of the vital power which, in order that the machine might work more smoothly, it has preferred to banish.

When we survey the full sweep of governmental powers in the United States today—from the enormous influence that federal spending now has over our economy to the penetration of governmental authority into every facet of daily commerce—it is apparent that the modern state could eventually dwarf our private-enterprise system. Before the vital power of free enterprise is further weakened by the state, I believe it is time to say no to those who argue that the answer to current challenges in the economy and in energy lies in further governmental control over our affairs.

THERE ARE THREE "SOLUTIONS" in particular to which the present administration objects and which I would like to explore:

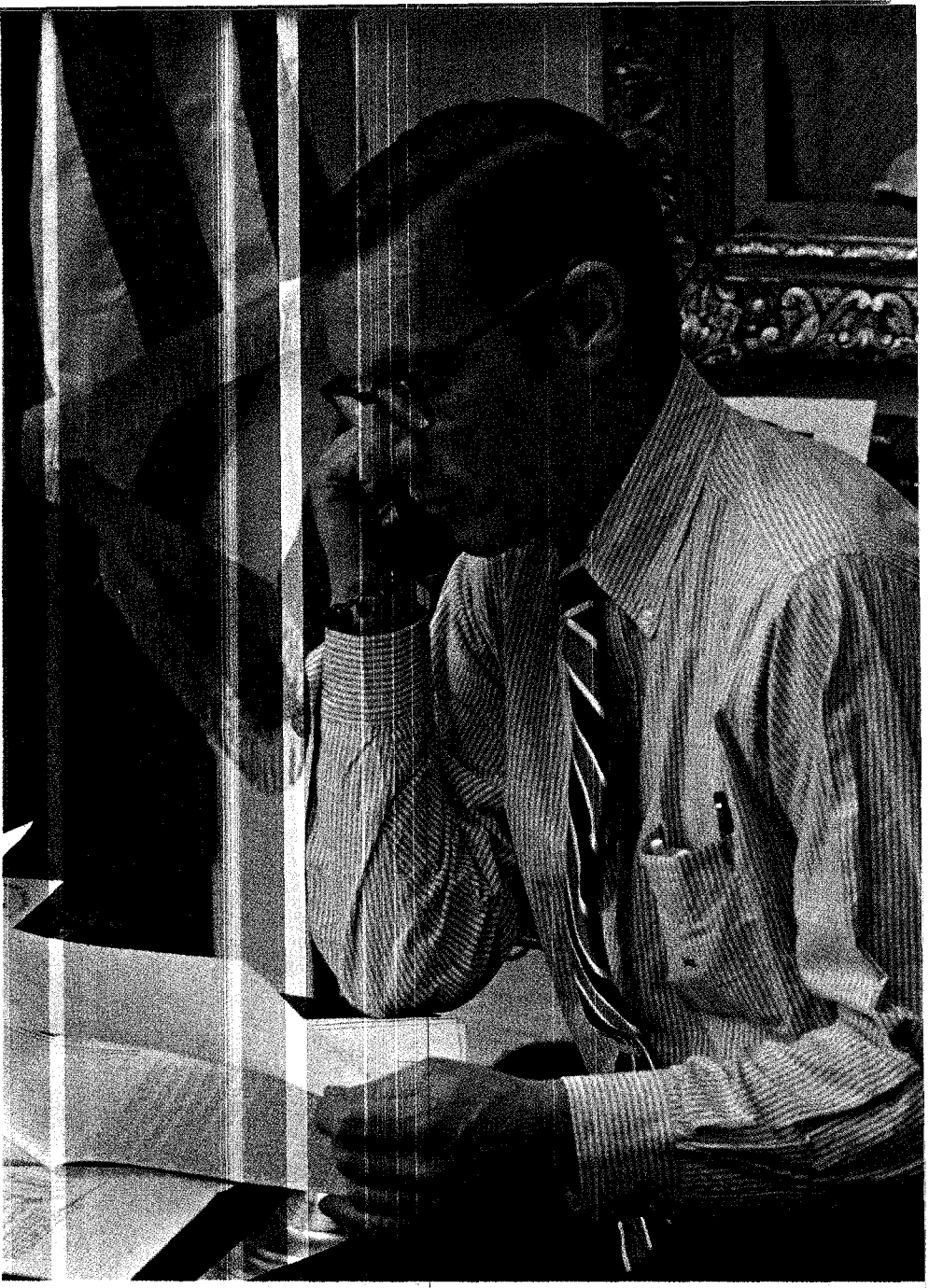
GREATER FEDERAL SPENDING. It is tempting to think that we can speed up the process of economic recovery by spending our way back to prosperity. The drumbeat for bigger spending programs can be heard daily through the corridors of the Capitol. Because of the continuing threat of inflation, however, this recession must be treated quite differently from those of the past. Unbridled spending would only create new pressures on prices and could set off a new cycle of inflation and recession that would be far more severe than anything we have experienced in recent times.

One danger we would face during the recovery, as I have emphasized many times, would arise in our private capital markets, where a rising tide of private borrowing demands may be forced to compete with large levels of federal demands for money to finance our deficits. It is urgent that the federal government not elbow these private borrowers out of the credit markets through excessive borrowing. Otherwise, the government could easily force up interest rates again, abort a recovery in housing, and bankrupt companies whose financial conditions are already marginal. In the name of spending our way out of the recession, we would only be driving ourselves farther into it.

The immediate impact of huge federal demand during a period of recovery would depend upon the monetary policy of the Federal Reserve. Monetary policy is going to be a critical element in shaping our economic prospects, both now and in the future. If, as the recovery takes hold, oversized federal deficits create strong competition for funds and the Federal Reserve pursues a moderate policy, there is a possibility that we would drive up interest rates and abort the process of recovery. The other alternative is that the Federal Reserve might seek to accommodate the enormous borrowing requirements of the federal government, as well as those of the private sector, by creating a more rapid growth in money and credit. That action might postpone the adverse impact on the recovery for perhaps a year or two, but its consequences would soon catch up with us in the form of a re-accelerated inflation. The only way to avoid such dire choices is to follow a course of prudence in our fiscal affairs.

WAGE AND PRICE CONTROLS. Since 1946, when we passed legislation enshrining full employment as a major national goal, the dilemma of trying to maintain full employment without creating inflation has bedeviled each of our Presidents.

(*Continued on page 16.*)



The Secretary at work—"George Shultz told me this: 'You're going to have trouble, because you're a person who likes to get things done; and when somebody likes to get things done in government, he's going to have all sorts of people sniping at him.'"

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the late 1800's, Union Oil co-founder Wallace L. Hardison helped transform the semi-desert land of Santa Paula Valley into one of California's richest agricultural areas.

Rich, bountiful western soil. But like many western soils, it has a high clay and silt content. After watering, this fine silt dries into a cement-like layer atop the moist, fertile soil, much like the field on this page. Farmers call it "crusting."

Many seedlings die because they cannot penetrate this crust. Those that survive grow slowly and mature at different times. Harvesting becomes a very complicated process and the yield is smaller.

And that's why Walter Roth, Carl Pilat and their research team at Union Oil spent four years working on the problem.

Their solution was a solution. A bio-degradable latex solution that mixes with water and is sprayed at the same time and by the same machine that plants the seeds. It forms a porous, plastic film over the seedbed which binds the soil particles and prevents crusting. Months later, when its job is done, the anti-crustant blends back into the soil, leaving no residue. The result is a more consistent, bountiful yield similar to the field on the right.

Not stopping there, Union Oil's researchers developed a white anti-crustant that protects seeds from "sunburn" and a black anti-crustant that protects seeds from cold. These products are available from the PureGro Company, a subsidiary of Union Oil's wholly owned Collier Carbon and Chemical Corporation.

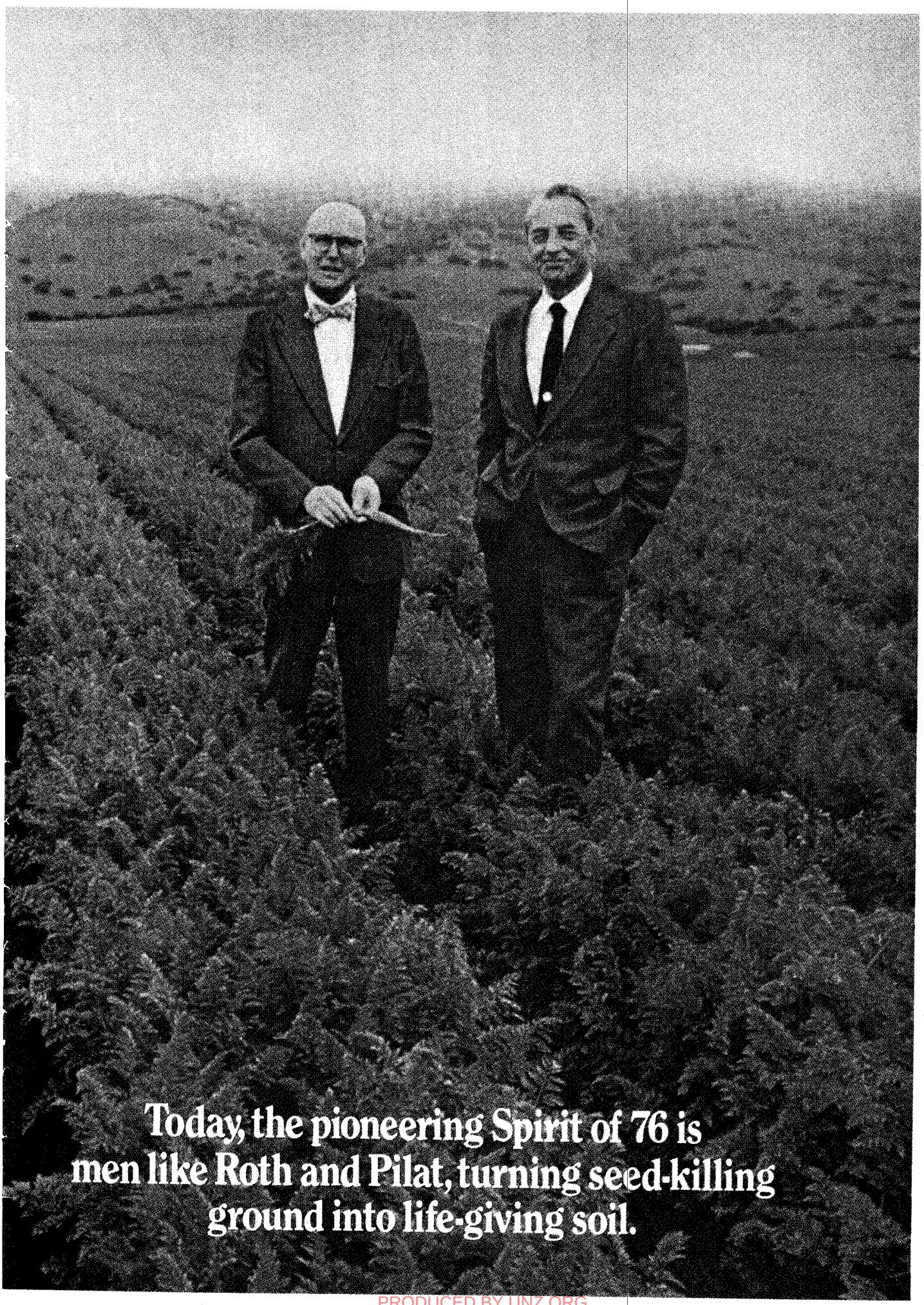
There are several oil companies bigger than Union Oil, but few that have contributed more to efforts to get the best and fullest use of our country's petroleum resources. What makes Union Oil different? Perhaps it's our spirit. The pioneering Spirit of 76. It wasn't just then. It's now.

Union Oil Company of California.

union 76

The pioneering Spirit of 76 lives at Union Oil.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Continued from page 13.)
And each of them has been advised that wage and price controls are the easiest and quickest way to resolve the issue. Controls are waiting in the wings again now, and if inflation flairs up again during the process of economic recovery, we are likely to enter another debate on their merits.

Public opinion polls show that a majority of our people think that controls are effective in controlling inflation. That's discouraging, for it means that we have learned little from history. Controls have been tried over and over again—stretching all the way back to the Roman emperor Diocletian—and never once have they worked. They may yield short-term gains, but within a matter of months they begin to create shortages, distortions, and inequities within the economy. Instead of eliminating inflation, they only bottle it up so that prices ultimately explode. We are still living with the ill effects of our last fling with controls.

"Recent history shows that the government, despite its splendid intentions, is incapable of matching the vitality, the wisdom, and the ingenuity of free men."

Advocates of a planned economy argue that controls failed in the early Seventies because they were administered by "non-believers." By contrast, they say, controls were carried out during World War II by members of the faith, and, as a result, prices remained relatively stable. What the advocates fail to point out is that when those controls were phased out after the war, wholesale prices shot up 30 percent in only 12 months.

If we are seduced once again by the siren song of controls, it is safe to predict that shortly afterward we will face a cruel choice: whether to lift the controls and uncork horrendous problems of inflation and unemployment or stay with controls and gradually stifle the free-enterprise system. That is not a choice we should have to make, and we can avoid it if we avoid the controls themselves.

RATIONING. Still a third solution pressed upon us by those who incline toward a planned economy is a system of rationing as a means of saving energy. Even though public polls several months ago indicated an interest in rationing, I cannot imagine that the American people would be willing to put up with rationing for very long. It would quickly become the most unpopular program in the country—a fact that is not lost on Congress.

The basic problem with rationing is that it can't be done fairly and practically. Every family, every car and motorcycle, every store, school, church, and business—everything and everybody—would have to obtain a permit for gasoline, electricity, and natural gas. Those allocations would have to be changed every time someone was born or died or moved or got married or divorced, and every time a business was started, merged, or sold, and even when a room was added to the church or school. When we consider the problems involved in just getting the mail delivered, are we really ready to trust an army of civil servants—however able and well intentioned—to decide who gets what?

Make no mistake: a small army would be required. We once considered gasoline rationing at the Federal Energy Office and learned that it would take from four to six months for it to be set up, that it would incur $2 billion a year in federal costs, and that it would employ as many as 20,000 people and would require 3,000 state and local boards to handle exceptions. By simple arithmetic, one can also determine that in order to reduce our oil imports by a million barrels a day by rationing only gasoline, the average driver would be limited to 9 gallons a week—a reduction of 25 percent under present consumption levels. Further conservation would require further limitations. Inevitably, we would be forced into rationing all petroleum products, and because the energy crisis is likely to be a prolonged affair, rationing might be needed for as long as 10 years.

People should ask themselves which they prefer: the small price increase on petroleum products that the President is proposing—and which would be returned to them—or a system that allows the government to tell them how to live their daily lives for the indefinite future. Does anyone honestly believe that the American public is willing to trade its basic freedoms—practically in perpetuity—for a few pennies a gallon?

An Approach That Will Work

There are other ways for us to solve our long-range problems—ways that will work—but they are radically different from those that would concentrate still greater power and influence in Washington. They would require instead that the government play a more neutral role in the economy, no longer trying to regulate and ordain the way that the economy grows but providing an environment which is *conducive* to competition and orderly growth. Let me single out five areas where the Ford administration is trying to follow a different course:

FISCAL AND MONETARY DISCIPLINE. With revenues off sharply and expenditures rising inexorably, large federal deficits will be inescapable until at least the end of fiscal year 1976. Thereafter, however, as the economy regains its health, we must begin to restore a much greater degree of moderation to our fiscal and monetary policies. Deficits may be unavoidable and even desirable as a stimulant during economic declines, but they should not be countenanced during years of boom. In fact, it would be far more helpful during good years if the government were to run surpluses, thereby checking excessive demand and upward price pressures and freeing more capital for investment purposes.

ASSISTING THE CASUALTIES. Millions of Americans are suffering the hardships of unemployment, and there will be more before the economy fully recovers. There can be little doubt that the best way to help the jobless is not to create vast numbers of temporary jobs on the public payroll but to bring the economy back to good health. After all, the private sector accounts for more than 80 percent of total employment. And as President Kennedy once remarked, "A rising tide lifts all ships."

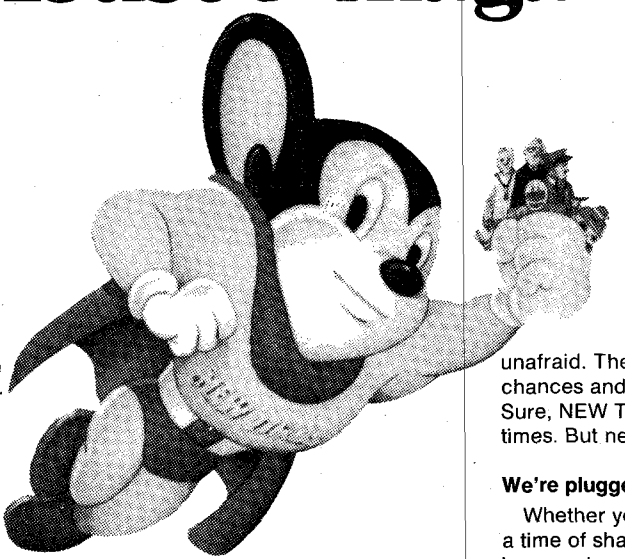
Nevertheless, we do have responsibility to provide generous assistance to the victims of recession and inflation, not only for humanitarian reasons but also because the only way to win broad public support for the long-term fight for sound economic policies is to ensure that the recession's burdens are borne equitably. To that end, federal unemployment compensation will be expanded during the

(Continued on page 20.)

An interview with William E. Simon starts on page 18.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

New Times. Think of us as the Mighty Mouse of magazines.



Superman we are not.

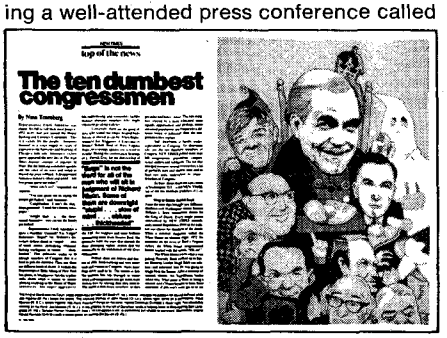
But that doesn't mean NEW TIMES isn't busting evil in the chops, fighting for the little guy, stripping the pants off phonies and generally shaking hell out of the establishment.

Like Mighty Mouse, we are small but powerful feisty. Out of all proportion to size, we make waves. Strike fear in evil hearts. Give the tremble to fat cats. Shake the rafters. The Mouse that Roars, that's us.

Some recent roars.

Every two weeks, NEW TIMES comes along with a stick or two of dynamite in its fist.

There was our story on "The Ten Dumbest Congressmen," with NEW TIMES' nomination for King of Dumb. You should have heard the screams on that one, including a well-attended press conference called



by the King himself. There was "Prescription Payola," about doctors who are willing to risk your life for a color TV. There was "Southie Is My Home Town," a look at the people of South Boston you didn't find in any of the other media. (After a century of getting the shaft, maybe they had reasons for coming off as brawling racists.)

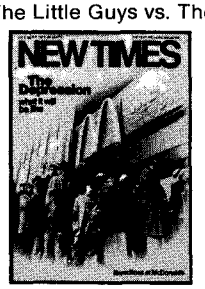
In "The Little Camera That Couldn't," NEW TIMES dissected Polaroid's SX-70, as a symbol of a consumer economy gone wild. In "A Wallace Is a Wallace Is a Wallace," we looked underneath the new moderate George and found—guess what—the same old George. In "Happy Days Are Here Again," we saw the new depression as upbeat—a chance for new lifestyles and the whole Whole Earth thing. In "Zen and the Art of the Perfect Backhand," we told you how to trust your body and ignore your old tennis instructor.

"The Gourmet Freeze-Out" ripped the foil off the big restaurant rip-off that's serving up mass-produced frozen dishes as expensive house specialties. "The Consulting Con Game" laid bare a cushy professorial racket. "They Shoot Ten-Year Olds, Don't They?" was a heartwarming look at New York's shootin' cops with their 007 license to kill just about anybody they want to. "That Championship Season" stripped the cover-up from the sex scandal that decimated Notre Dame's football team.

Is NEW TIMES mad all the time?

Golly, no. Don't get the idea we do nothing but dredge up embarrassing facts and tweak important noses. NEW TIMES is *the magazine of what's happening* and that's a spectrum that includes love and music and lifestyles and movies and all manner of rare new ideas. For instance, we reported on Erhard Seminars Training (est), one of the most fascinating of the new life therapies. We got inside the world of bisexuality. We published our *own* medical research on pot—"Attention: Smoking Grass May Be Good for Your Health."

And of course we continue to report on the eternal battle of The Little Guys vs. The



Big Guys. Like the story on Sam Lovejoy, who toppled the big bad nuclear tower. And the young hillbillies of Mendocino County who were damned if they'd let their houses be torn down for lack of city plumbing.

Our bright, brash, talented writers and columnists—like Robert Sam Anson, Jesse Kornbluth, Marcia Seligson, Larry King, Amanda Spake, Jim Kunen, Mark Goodman, Frank Rich, Janet Maslin and Nina Totenberg—have one thing in common. They're unafraid. They'll plunge into anything, take chances and stands, crawl way out on limbs. Sure, NEW TIMES may fall on its face sometimes. But never on its knees!

We're plugged into *now.*

Whether you like it or not, you're living in a time of shattering transitions. Nobody knows where the world is heading and if they claim to, they lie!

NEW TIMES—more than any other magazine on the American scene, we think—is plugged into this difficult, exhilarating age. Do we understand what's going on? Do we know The Answers? Hell, we consider ourselves lucky when we know The Questions.

But we don't lie. We don't pretend impossible knowledge. Our minds and eyes are open and our promise to you is firm: we'll pin as much of the truth to the page as we know how.

Does NEW TIMES sound like your kind of magazine? If you've read this far, you're probably NEW TIMES' kind of person.

You can have 17 issues of *the magazine of what's happening* for only $4.97. That's $2.87 less than the regular subscription price—$7.78 less than the newsstand price. Or save even more! Take 26 issues—one year—of NEW TIMES for only $7.50, a saving of $4.50 over the regular subscription price—$12.00 less than the newsstand price. The attached order card will do the trick. Or write to NEW TIMES, P.O. Box 2948, Boulder, Colorado 80302.

Join us. Start to roar a little.

For immediate service 24 hours a day
CALL TOLL-FREE (800) 327-8912

NEW TIMES

The Mouse that Roars

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Is "Free Market" a Dirty Word?

An Interview With the Secretary of the Treasury

by John Minahan

In your personal strategy for prosperity, Mr. Secretary, what do you see as the most important single element?

Simon: Just as the economy today is caught up in a complex pattern of many problems, so I can't see any single, simple, quick solution. Nevertheless, if I could cite several closely interrelated developments that we should all seek to bring about, these would include, first, a rebirth of responsible governmental economic policies—such as keeping federal budgets balanced over the course of a business cycle. Renewed confidence in government would then act as a strong force to bring about a badly needed revival of confidence among consumers and investors. At the same time, we must begin to shift more of our output from current consumption to a long-range modernization and expansion of America's capital resources—which, in reality, is the only way we can hope to expand our economy's productivity and our people's standard of living. We are now on a consumption binge, using up our inherited productive plant faster than we are replacing it, while at the same time we vastly expand federal debt. In effect, we are burning the candle at both ends, and the candle is getting ominously shorter. Basically, I feel that all of us have a special responsibility to protect and preserve our system and turn over to our children a nation that is at least as strong as the one we inherited.

Do you believe economic recovery is developing on schedule?

Simon: So far, it appears we're on track. In recent weeks we've seen a number of encouraging signs reinforcing our belief that there are natural, cyclical forces within the economy that will help to bring a bottoming out of the recession during the middle months of 1975.

Naturally, during the next few months, business statistics will sometimes be contradictory—but in many important respects the economy is beginning to react in a healthy way. Inflation is easing off, and consumer confidence is rising. Many businesses are liquidating their inventories. Funds are beginning to return to the thrift institutions, setting the financial stage for a recovery of home building. As these things take effect, we should see further increases in consumer spending. Businessmen are placing new orders. And we can begin to make some headway against unemployment. This whole process will take time—there will be bumps in the road—but the economy will definitely be on the road to recovery by the end of the year.

Do you anticipate any conceivable possibility of another tax rebate next year?

Simon: Though we must always be flexible to adjust our policies to meet changing conditions, my present feeling is that the economy will be well enough along the road to recovery that no further tax rebates should be necessary. However, we still need to settle the more difficult question of tax reform. We have talked about overhauling the tax structure for several years, but little has been done in the way of structural reform except in terms of reducing the tax burden for lower-income Americans. What we need is a review of the overall structure, including both individual and corporate taxes.

I would very much hope that part of that review will deal with this country's longer-range problems of capital formation and resource allocation. I believe that history is going to judge us not on how we handle the short-run problem of recession but, rather, on the long-run problems of inflation, shortages, capital-formation savings, and investment. We have to shift our policies away from those that for years have promoted consumption and penalized savings and investment. We have to act with uncharacteristic wisdom in government by starting to define the long term properly, then *acting* on it. And, for a change, the long term should not be the date of the next election, but a look ahead to the world our children will inherit.

A lot of young people I know—and I define young as those in their early 20s, middle 20s—look up to you because you advocate a policy of laissez-faire and because you believe that our government has become so big that it's beginning to frustrate the competitive marketplace. Obviously, when a top government official fights government growth, it's an unpopular stance in Washington, but I wondered whether you were getting significant feedback from young people around the country.

Simon: Yes, I am, and I must admit that it surprises me. Too many of the youth of this country have been educated to believe that *free market* is a dirty word. Some of them go through our finest universities today without ever hearing the name Adam Smith. But I've noticed the same thing that you have: that more and more young people share my philosophy. I'm heartened by that, because they're our future.

I'm not saying that the free market is perfect. It has its flaws, but I must also say that I've seen the alternative and it's much worse.

I don't believe it's any coincidence that three of the major American industries which are in most trouble today—railroads, airlines, and utilities—are the most stringently regulated. It's time that we loosened the shackles and removed the many impediments which government itself has placed in the path of economic progress—impediments that hurt service, raise costs, and spur inflation.

How should government policy cope with industry failures, such as that of the Penn Central or Lockheed?

Simon: This may sound unsympathetic, but if you believe in a free marketplace and in the right to succeed in business, you must also accept the other side of the coin: the right to go *out* of business. Without reference to Penn Central or Lockheed in particular, I believe that if companies fail to adapt

---

John Minahan, editor and publisher of American Way *magazine, is the author of four books. His latest,* A Different Drummer, *will be published early next year.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to changes in competitive conditions and to changes in the public's needs and preferences, they have no claim to public support—that is, beyond the normal workings of the bankruptcy laws. If, however, the failure to adapt is due to rigid governmental regulation or some other governmental shortcoming, then it makes sense that government should temporarily help the crippled industry readjust to marketplace realities. Let me emphasize, however, that the public should not be fleeced of taxes to keep any business alive that, like the dinosaur, has outlived its usefulness. No nation gets anywhere with a system dedicated to the survival of the least fit. *Excellence* of product and *superiority* of performance must be our goal. And the tough, uncompromising world of competition is the only way I know to achieve this end.

When cities like New York City are threatened by bankruptcy, what could or should the federal government do to remedy their problems, alleviate unemployment, and so forth?

Simon: After several meetings with New York City and state officials, I and other administration officials reluctantly concluded that it would not be appropriate for the federal government to intervene in that city's distressing financial problems for a wide range of reasons. Not the least of them was the virtual certainty that the federal government would soon afterward be faced with similar demands to take on the financial problems of other cities across the country.

This responsibility would be *in addition to* the $6 billion in annual revenue-sharing grants already extended by Washington, plus the many other billions in grants made under special-category federal, state, and local programs. New York City's problem is essentially the same one we face at the federal level: trying to balance our books and meet our obligations. Neither men nor governments can go on living beyond their means indefinitely. That we have long attempted to do so is a major reason why both New York City and the nation as a whole have been plunged into the most serious economic crisis of the postwar period.

We all feel there are many steps, short of turning to Washington, that New York City can take to meet its financial needs. Moreover, once a viable plan *is* developed to cut costs, boost revenues, and move toward a balanced budget, recourse to Washington would be found to be unnecessary in the first place.

As for unemployment and the other human hardships that reduced spending may bring, New York City, because of its loose economic policies, is already caught in a disastrous downward spiral—driving out businesses, eliminating much private-sector employment, and multiplying the tax burden for the remaining residents. It will take time and the process will be painful, but the only way to reverse this march toward ultimate disaster is to start now to get back to rational spending and taxing approaches.

In my experience, whenever your name is mentioned in a group of young people, they seem to dwell heavily on the point that it's refreshing to hear somebody talking about government and the economy in blunt terms, even when the information is unpleasant.

Simon: You know, I have a feeling that the young people are way out in front of us in Washington. More than anyone else, they want things "told like it is."

When I first came to government, George Shultz told me this: "You're going to have trouble, because you're a person who likes to get things done; and when somebody likes to get things done in government, he's going to have all sorts of people sniping at him." And I accepted that.

You're changing what you set out to change?

Simon: Yes, and I'll just keep trying until it's time to go back home again. I don't expect I'll be able to accomplish everything I want to, but if I can make people in the United States more aware—if I can make Congress more aware—of the directions we're going in, this is a step forward. It's a step toward turning this massive ship of state away from the course it's on right now—this very dangerous course that's going to lead us to a socialistic and controlled economy. We've been taking money rapidly away from the productive sector of this country, our free-enterprise system, and putting it into the non-productive sector, our government. As a result, government at all levels now accounts for a third of the Gross National Product. And if government continues to grow at these same rates, it'll be close to 60 percent by the turn of the century. Perhaps talking about this is the "mistake" I've made since I came here—looking a little bit at the longer term and asking what kind of a country we'll turn over to our children and grandchildren. But that's what the public trust is all about, isn't it?

I think you once said, "Many of us are liberals about the country's economy, but at home we're all conservatives." That seems to bring things into perspective for me, at least, and I wonder whether you'd want to add anything.

Simon: I don't think it's appropriate to use the term "conservative" or "liberal" when it comes to finance and economic policy. I'd rather use the terms "sound" and "unsound." Because neither man nor government can continue to spend more money than is taken in over a period of time. I'm a liberal in many social ways: as a father of seven, I hear arguments for many different points of view. However, in pushing many of the changes that have gone on over the past 20 years, there are people who falsely use the terms "conservative" and "liberal" to justify irresponsible policies. I'm sorry; I can't abide by that—not when we're talking about the future of America and the way this country is run. We have to get back to certain fundamentals that were around long before the modern definitions of "conservative" and "liberal" were ever brought into play. And I'm encouraged that the people themselves are demanding exactly this. They now know there's no such thing as "free" government programs. *Someone* has to pay the bill, or we end up paying in unvoted taxation, the cruelest and most regressive tax of all: inflation. People I meet are more than willing to do their part in building a better nation, and they expect their government representatives to do no less. □

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Continued from page 16.)
coming fiscal year to some $20 billion—almost three times as much as two years ago—and this aid should reach some 14 million workers.

"Sacred Cows." It will be extremely difficult to achieve meaningful reform of federal regulatory practices because the special interests benefiting from regulation are much more powerful and united than the proponents of change. But we can no longer afford the waste and inefficiencies that these "sacred cows" create. President Ford has made it clear that regulating abuses is one of the primary targets of this administration. Several reform proposals are already before the Congress, and more will be forthcoming. It is urgent that this matter be seriously addressed by the Congress.

Tax Reform. In the process of overhauling our tax structure, we should examine its impact upon both individuals and businesses and the future course we want to follow as a nation. Both major segments can rightly claim that inflation increases their effective tax rate even though they are no better off. We should also recognize that our system of business taxation bears more heavily on corporations than does the tax system of almost any other major industrialized nation. In recent years most of our major trading partners have eliminated the traditional two-tier system of business taxation, in which income is taxed once at the corporate level and again when dividends are received by stockholders. The administration is now studying a series of tax-reform proposals that would create an economic environment more conducive to economic growth and job creation. We intend to submit a package of such reforms to the Congress before the end of the year.

Energy Self-Sufficiency. The country faces essentially three alternatives in the field of energy. First, we could continue along our present course of doing practically nothing about conservation or production. If we do, the OPEC nations will hold a knife to our throat for years to come. Our foreign oil bills this year will probably hit $30 billion and could rise even more down the road. By 1985 we could be dependent on OPEC for more than half of our oil needs. Meanwhile, the economies of many other oil-importing nations will continue to deteriorate, jeopardizing the economic future of the entire Free World. Clearly, this is not an acceptable alternative. A second choice is to ration fuels, but this approach also presents intolerable objections, as noted earlier.

The third choice is to employ the pricing system as a mechanism for both discouraging consumption and encouraging production. This is the alternative that the President has chosen. He did so with the full recognition that energy prices would increase and that we would suffer a small, one-time rise in the rate of inflation. But he also coupled the price increases with proposed changes in the tax structure that should compensate most energy users, especially low- and moderate-income families, and should also prevent energy producers from realizing windfall profits. This is a sound, thoughtful approach, and it *will* work if only we are willing to try it.

Strengthening the Free-Enterprise System. The most critical economic decision we face today is whether we want to let Washington run the economy or whether we want to leave basic decisions in the hands of private citizens. If we truly want to preserve the private-enterprise system, then not only must we take the steps that I have noted here, but we also must seek some fundamental changes in public attitudes toward business and capitalism. Ironically, in producing affluence, we have spawned a whole generation of young people who misunderstand and distrust the way our system works. Too many who enter the business world after school think that they have been compromised; to them, profits are obscene and competition is vulgar. In our desire for conspicuous prosperity, we have also come to value the present over the future, over-consuming and over-borrowing in the vain hope that the bills will never catch up. The ethics of thrift and savings has been replaced by the ethics of instant pleasure, and we have turned to the modern state to satisfy our hunger.

In a very basic sense, the nation has now reached a crossroads where we must choose between the restoration of a more competitive, more open society or commit ourselves—perhaps irrevocably—to a society in which the large decisions about our economic and personal welfare are made by a central government.

History surely teaches us that the system of free enterprise, despite its many flaws, is the most compatible with the protection of rights and liberties as well as the most productive of material goods. Equally so, recent history shows that the government, despite its splendid intentions, is incapable of matching the vitality, the wisdom, and the ingenuity of free men.

"In the end," Gibbon is reported to have written in an epitaph on ancient Greece, "more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all—security, comfort, and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free."

Whether the same will one day be said of America is the basic decision now before us. □

"What makes you think there's a starting salary?"

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

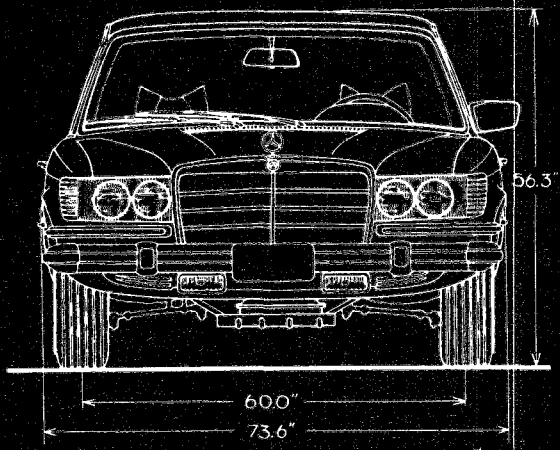
...We get people talking (To 23,000,000 people we're the telephone company)...We brighten their lives (Sylvania lighting for home, industry and photography)...We entertain them (Sylvania color TV and stereo)...and we serve their needs in a lot of other ways: street lighting, microwave systems, earth stations for Comsat, electronic telephone equipment, powder metallurgy, specialty inorganic chemicals, television picture tubes, data transmission, quadraphonic receivers, circuit breakers, telephone directories, mine-drilling bits, printed circuit boards, alumina ceramics, motor control centers, electrical metering equipment, electronic security systems, tungsten wire, video terminals, projector lamps, welding electrodes, Sun Gun™ movie lights, airport electronics, automotive flashers, electro-optic systems, digital multiplexers, transceivers.

General Telephone & Electronics,
One Stamford Forum, Stamford, Conn. 06904

...We're General Telephone & Electronics, a growing concern for your growing needs.

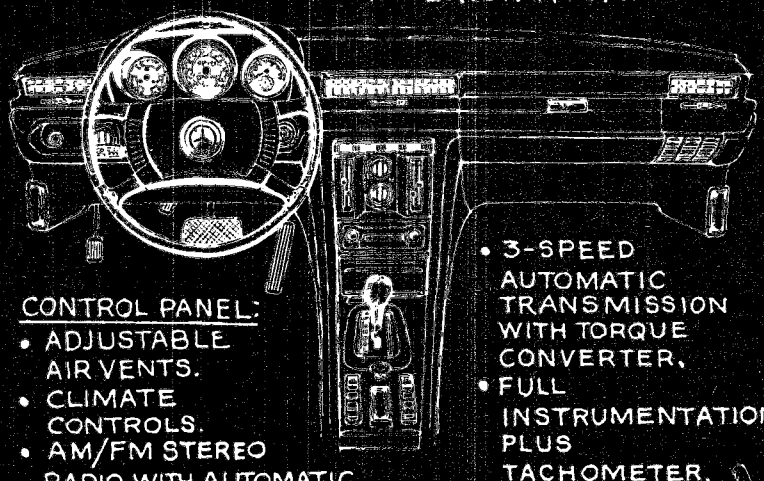
PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

How to tell a Mercedes-Benz 450SEL from all the rest.



450 SEL

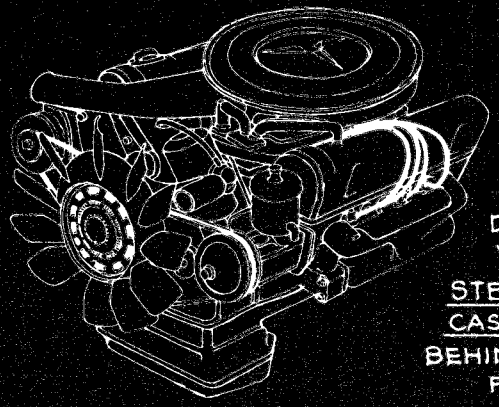
CONTEMPORARY VERSION OF CLASSIC TOURING CAR. TRIM EXTERIOR SIZE, UNUSUALLY GENEROUS INTERIOR ROOM.



UNIQUE ENGINE: 8 CYLINDERS, V-TYPE. OVERHEAD CAMSHAFT. TRANSISTORIZED IGNITION. ELECTRONIC FUEL INJECTION. ELECTRIC FUEL PUMP. FORGED STEEL CRANKSHAFT. SODIUM FILLED EXHAUST VALVES. LIGHT ALLOY CYLINDER HEAD.

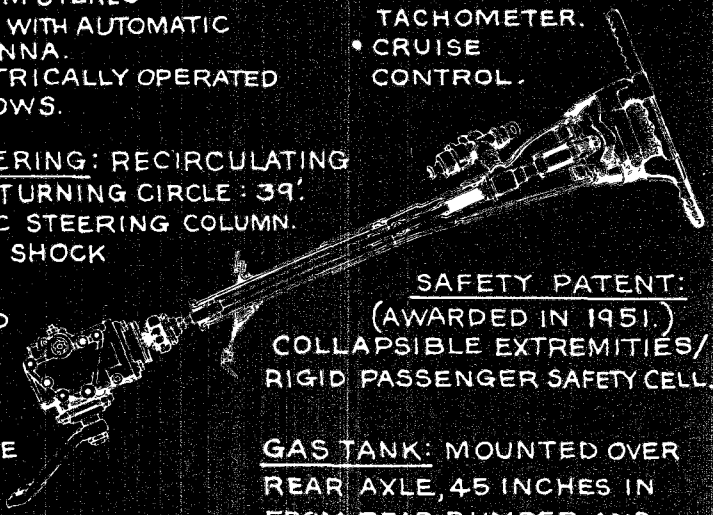
CONTROL PANEL:
- ADJUSTABLE AIR VENTS.
- CLIMATE CONTROLS.
- AM/FM STEREO RADIO WITH AUTOMATIC ANTENNA.
- ELECTRICALLY OPERATED WINDOWS.

- 3-SPEED AUTOMATIC TRANSMISSION WITH TORQUE CONVERTER.
- FULL INSTRUMENTATION PLUS TACHOMETER.
- CRUISE CONTROL.



POWER STEERING: RECIRCULATING BALL-TYPE. TURNING CIRCLE: 39'. TELESCOPIC STEERING COLUMN. ADDITIONAL SHOCK ABSORBER DAMPENS ROAD VIBRATIONS.

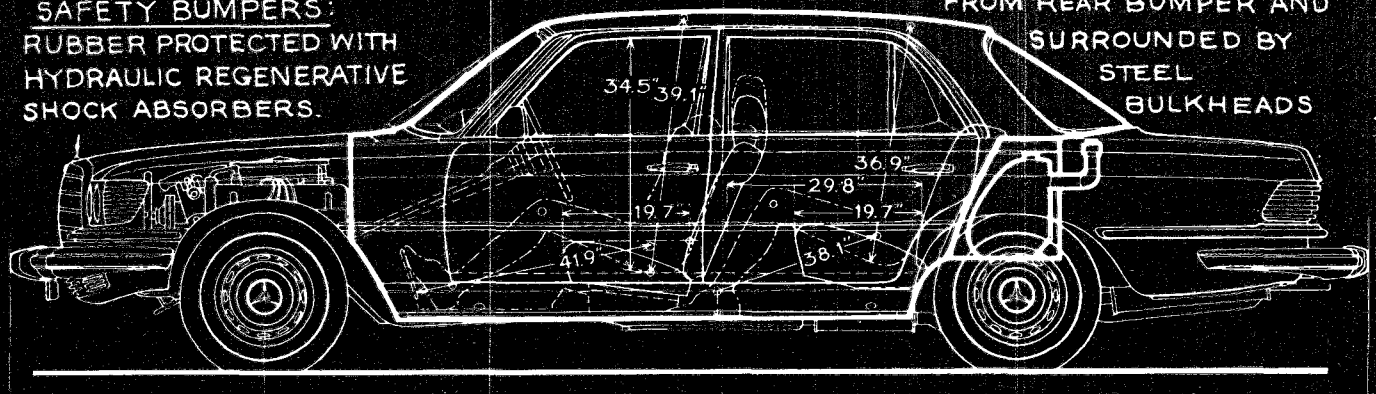
STEERING GEAR CASE: LOCATED BEHIND FRONT AXLE FOR SAFETY.



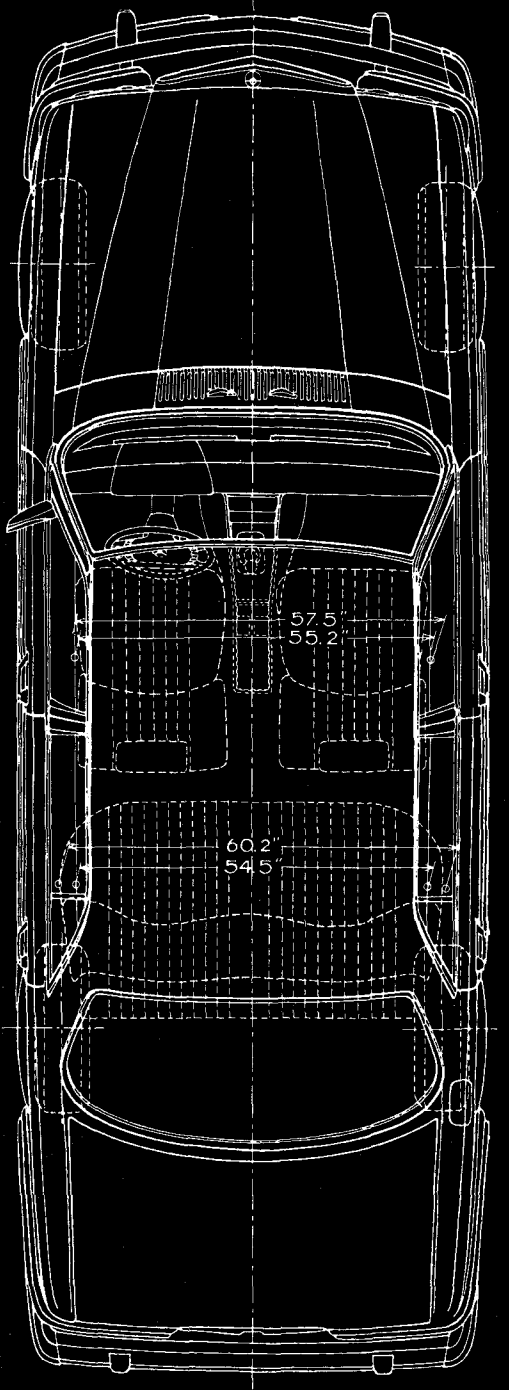
SAFETY PATENT: (AWARDED IN 1951.) COLLAPSIBLE EXTREMITIES/ RIGID PASSENGER SAFETY CELL.

GAS TANK: MOUNTED OVER REAR AXLE, 45 INCHES IN FROM REAR BUMPER AND SURROUNDED BY STEEL BULKHEADS

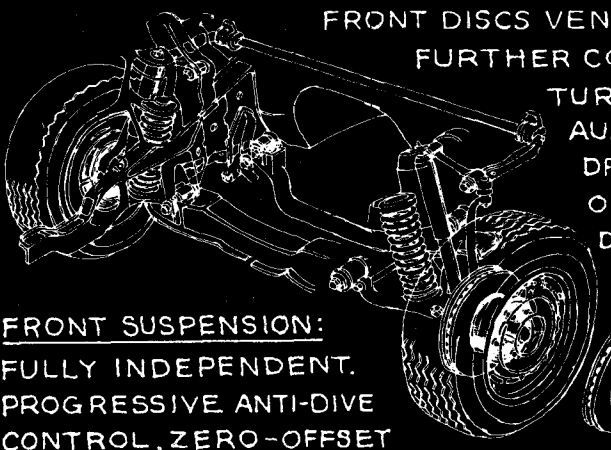
SAFETY BUMPERS: RUBBER PROTECTED WITH HYDRAULIC REGENERATIVE SHOCK ABSORBERS.

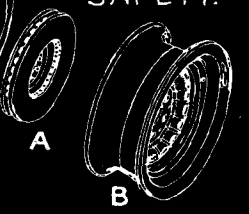


PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

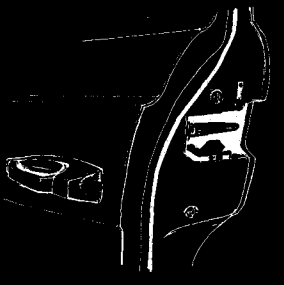


POWER BRAKES: 4-WHEEL DISCS (A). FRONT DISCS VENTILATED. FURTHER COOLING BY TURBOBLADES (B). AUXILIARY DRUM BRAKES ON REAR WHEELS. DUAL HYDRAULIC SYSTEM FOR SAFETY.



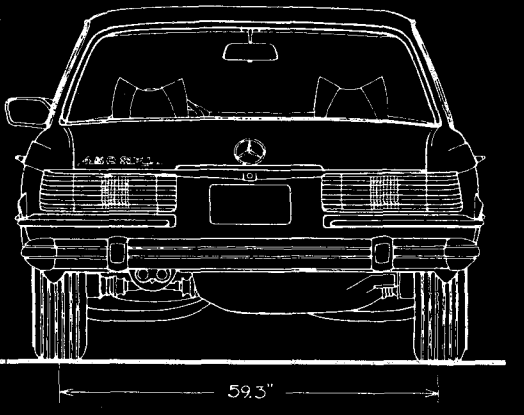


FRONT SUSPENSION: FULLY INDEPENDENT. PROGRESSIVE ANTI-DIVE CONTROL, ZERO-OFFSET STEERING. ALL JOINTS LUBRICATED FOR LIFE. GAS PRESSURIZED SHOCK ABSORBERS.



CENTRAL LOCKING SYSTEM: LOCKS ALL DOORS, TRUNK, GAS FILLER PORT IN ONE MOTION. PATENTED SAFETY CONE DOOR LOCKS WITHSTAND OVER 6000 LB. LOAD. INDEPENDENT "CHILDPROOF" LOCKS IN REAR DOORS.

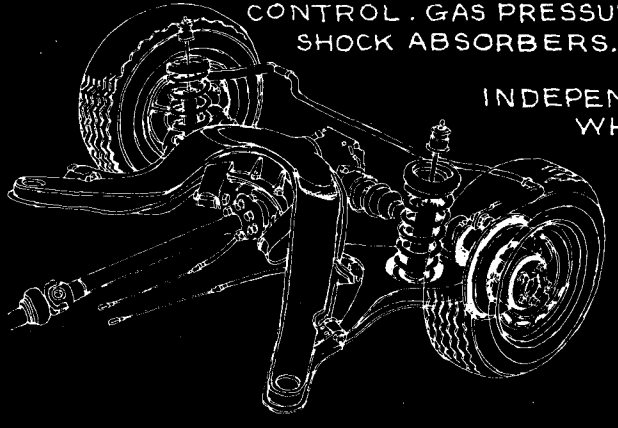
INTERIOR: 4 DIFFERENT SOUND-ABSORBING MATERIALS. PADDED AND FINISHED FOR SAFETY AS WELL AS SUMPTUOUSNESS. ANATOMICALLY DESIGNED SEATS UPHOLSTERED IN LEATHER.



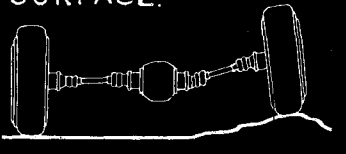
TRUNK SPACE: 17.7 CUBIC FEET.

HOOD ORNAMENT: SINCE 1886, SYMBOL OF AUTOMOBILES ENGINEERED LIKE NO OTHER CARS IN THE WORLD.

REAR SUSPENSION: FULLY INDEPENDENT. DIAGONAL PIVOT SWING AXLE, ANTI-LIFT CONTROL. GAS PRESSURIZED SHOCK ABSORBERS.



INDEPENDENT VERTICAL WHEEL ACTION: EACH WHEEL STAYS MATED TO ROAD SURFACE.



450 SEL TOURING SEDAN

SEATING: 5

Nº 1160011299

© MERCEDES-BENZ OF NORTH AMERICA INC. 1975

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SR editors with faculty participants—An exploration of some basic fundamentals.

Recovery and Beyond

An SR-Harvard Business School Colloquium

In any discussion of strategies for prosperity, several basics must be agreed upon if we are to have a clear sense of direction and progress.

To explore these basics, Saturday Review *drew upon the resources of the Harvard Business School, incubator for American business leaders and source of much of the nation's current business operating policies and practices. Five senior professors of business administration, men of national reputation, joined us in a colloquium to review these basics. Each addressed himself to his own area of expertise. The five were George C. Lodge, John Lintner, Jesse W. Markham, Robert Stobaugh, and Ray A. Goldberg.*

The Editors

Mr. Lodge, how do you see the future role of business in our society? Will capitalism as we know it be retained, in strengthened form? Or will we see fairly major changes in the relationship between government and business?

Professor Lodge: Well, if you'll forgive me, I don't think I'll use the word *capitalism.* Nor will I use *socialism* or *communism,* because I don't think any of these terms mean anything anymore. What I see happening is a widespread systemic disintegration within our country. This disintegration has been going on for about 80 years now. Right now, it's in a very extreme and dangerous phase. Signs of decay are in evidence everywhere: there's the declining motivation in the workplace, the lowering of productivity, increased labor costs, and the weakened authority of all our institutions and the people who are supposed to run them.

Another sign of disintegration is our inability to make crucial trade-offs about what the community needs, for example, between clean air, pure water, energy, the economy, jobs. Then there are the many special-interest groups that heavily influence our sorting out of these trade-offs, as in the case of the milk lobby. The upshot is an increasing fragmentation of government in the face of our need for increasing concentration.

Now, let me start off by making some predictions, and then let me explain why I think these predictions make sense. First, it strikes me that sooner or later, in one way or another, we are going to have significantly greater and more comprehensive government planning. The question is not really whether we are going to have more government planning; the question is, Is it going to be effective or ineffective?

Secondly, I predict that there will be more use of the corporate charter and of procedures related to the corporate charter, in order to control corporations —that is, *to harmonize them with the public interest.* Anti-trust laws that simply try to ensure competition and regulation will become less important. I see the corporate charter as being an increasingly important instrument for defining the purposes and functions of giant corporations—the oil companies, for example.

Thirdly, inside the corporation there will be increasing structural reorganization, or else, there will be continued deterioration. And these reorganizations will threaten the old idea of the contract and the old idea of managerial authority based on property rights. I believe more and more employers and employees will think in terms of a consensual, rather than a contractual, process. I would predict that, increasingly, managerial authority will not derive from some mystical body of shareholders operating through some board of directors in a very obscure process. Rather, managerial authority will derive from the managed (the alternate source being, of course, government).

Now then, the issues that all this raises have to do with adaptation and timing—typical issues being the possibility of keeping democracy afloat, centralization versus elitism. These are the kinds of issues that I see.

Now, in order to understand any of these problems, I think one has to take a systemic, overall, holistic approach to the malaise that troubles us. And for that purpose I have found useful the notion of *ideology.* Ideology is a complicated term. The way I define it is this: the bridge by which a society gets from values, essentially non-controversial values such as justice and self-fulfillment and survival, to the real world. It is a framework of ideas for making values explicit and defining them. It is both dynamic and transient. It is not dogmatic. It is that nucleus of ideas by which institutions—business institutions, governments, universities, and so on—are made legitimate. It provides the rationale and justification for these institutions—for their power, their influence, and their work.

Now, what's happening in America—and, as I say, it's been happening for a long time—is that we are operating under an old set of ideas, five in number, which are slipping away. These five ideas used to make our institutions legitimate, but the ideas have been eroded, and a new set of them has been coming in to take their place.

The process has not been a conscious one. It has not been the work of Maoists or some conspiratorial group. Instead, this displacement and replacement of ideas have resulted from pragmatic, experiential activity on the part of corporations and government and universities and all of us.

The five ideas of the traditional dominant ideology are these: individualism, property rights as guarantors of individ-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Professor Lodge

ual rights, the open marketplace as a restraint on property abuses, the notion of the limited state, and specialized scientific analysis as the key to knowledge.

These time-honored ideas are, in important respects, giving way to another set of outlooks, particularly with respect to large corporations. These new ideas haven't been around very long, and we are much less sure of them. But it seems clear that they are inexorably taking the place of the kind of atomism and individualism that is implicit in what might be called the John Wayne conception of society and the individual.

For want of a better term, I have dubbed this new set of societal ideas and ideals "communitarianism." That is to say, we become fulfilled by being part of a group, part of an organization, part of a complex, crowded thing. If this "thing," this societal context, is well designed, it makes full use of our talents and our resources and our capabilities. If it is poorly designed, we are alienated, frustrated, turned off, purposeless, and take to drink and drugs and late-night TV.

So the old idea of equality of opportunity has, as I see it, been replaced by an interesting new one, which you could call equality of result or equality of representation. For instance, the law now says that it isn't enough for a corporation to provide equality of opportunity. It has to have equality of result or representation: you've got to have so many men telephone operators, so many women vice-presidents. You've got to have minority groups spread up and down the corporate hierarchy, roughly in proportion to their numbers in the community. That's a very new idea, radically different from the old way.

In place of the idea of *contract* I would put *consensus*. Thus, we see a variety of attempts and experiments by business to increase productivity and increase motivation by designing new forms under the heading, "worker participation in management" or "organizational development."

In place of property rights have come the rights of *membership*. Much more important to most individuals in America today than concern over whether they own any property (which increasingly few do) is the question whether they have certain rights as citizens or as members of a large group. That is, as a citizen of the United States, you now have the confident expectation that you will survive. You have a right to survive, you have a right to income, you have a right to health, you have a right to a variety of things that the community has said are yours.

In place of competition to satisfy consumer desires, we see an increasing importance placed on community need, on economies of scale, on efficiency, on beating the Japanese, and on many other things.

The fourth idea among the five "old regime" ideas mentioned a moment ago was Locke's notion that government should be limited, even quiescent. But we are now developing, in a fairly clumsy form, to be sure, an active planning state. We have had this state in varying degrees for the last 50 years or more. One of the difficulties with this whole transition is that nobody recognizes it or makes it explicit.

How we organize state planning depends very much on whether we explicitly acknowledge that the state should have a planning function that it doesn't have now. The question is, Is the change going to happen intelligently, or is it going to happen stupidly and wastefully? And is it going to happen after great institutions have sunk into the mud, or is it going to happen before they do so that we can make these transitions more or less efficiently?

The last of the Lockean Five—scientific specialization—is giving way to *holism*, the conception that a whole cannot be understood without an analysis of its parts. Ecology is perhaps the best example, but there are many others.

We now know that we live in a fragile spaceship, in a fragile biosphere, and that there are limits to growth. We don't quite know what they are, but they're there. We also know that there are scarcities, but that somehow we must manage this, again, holistic, systemic problem.

These, then, are the philosophical basics around which we must build a new prosperity for America.

Professor Lintner

Any strategy for prosperity must be based upon a clear understanding of our present economic condition. Professor Lintner, could you indicate for us the dimensions of the current recession. How deep is it? How long will it last?

Professor Lintner: There's no question that the American economy is in the midst of its most severe and most protracted recession of the entire post-war period. For example, unemployment did not reach 8 percent in 1958, our sharpest previous post-war recession. Yet it's already quoted at 8.9 percent today—and it's going to be nearly 9.5 percent by midyear. If all the people who have been discouraged from being part of the labor force are taken into account, unemployment is already in the high 9 percent range. Among younger minority members of the labor force, and in some industries such as the automobile and construction, we have recently had unemployment rates as high as 30 percent—a figure reminiscent of the Thirties.

Real per-capita disposable income, in terms of purchasing power, fell only 0.7 percent in 1958, but it has already declined by over 5 percent through the first quarter of this year. As a result, spending has fallen, and we have had a backup of inventories. There has been a tremendous (60 percent) reduction—the largest of the post-war period—in housing starts. Plant and equipment outlays have also been falling in real terms. Overall, total output in the quarter just ended was over 7.5 percent below the previous peak level of real GNP. The current decline has been about twice as great as the 1958 decline and has already lasted five quarters while that earlier decline lasted only two quarters.

This recession is also different because it is by far the most *inflationary* of our post-war period. The reasons for this inflation go back to our failure to finance the Vietnam war on a pay-as-you-go, tax-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

financed basis at the time when we had nearly full employment. This failure led to erratic action on the part of the Federal Reserve, which tried successively to slow down the economy with tight funds for a while but then reversed its field quickly when unemployment started to rise, only to repeat the cycle when business improved and inflation increased again. Since 1965 the inflation rate has been higher at each peak than at the last, and in each trough the inflation rate has also been higher than in the preceding.

Our inflation problem has been complicated by the agricultural situation. Another blow was struck in oil, where, in effect, the oil-producing countries imposed on the American economy a $25 billion excise tax, payable to a foreign government, that is highly deflationary in its longer-run impact on business activity but sharply inflationary in terms of prices.

With inflation rates soaring at 12 to 14 percent rates last year, the Federal Reserve tightened up with still greater determination and converted what would have been a mild slowdown into something far more serious.

By early this year, the risks of a self-reinforcing downward spiral had become so great that a large tax cut was required to turn the economy around. With this $25 billion tax reduction in place, and with easier monetary policy, a solid recovery is now reasonably well assured. The low point in overall production should be reached by summer, and unemployment will begin to decline this fall.

For a variety of reasons, however, I do not believe that we will have a fast snapback from this recession. Consumers have been badly frightened and have felt that administrators were not in control of the economy. The financial position of consumers has deteriorated badly and cannot be restored for some time. These psychological and financial considerations will hold down the pace of the recovery in consumer spending. The financial position of business firms has been seriously weakened, as their debt-to-equity ratios climbed to unprecedented, excessively high levels. The commercial banks also have become over-extended in fulfilling their earlier commitments and lines of credit. Their own investment-to-capital ratios have risen to a level where further expansion has had to be restricted.

Another reason why we may expect a slower recovery than in early periods is that housing is not going to snap back quickly. Many builders are bankrupt, and there is a very heavy overhang of unsold dwellings. Even though money is now flowing into the savings institutions at a record rate, many of these savings institutions themselves have debts to repay, and all must restore their liquidity positions before a large flow of mortgage money can be expected. Housing activity will be showing solid increases by fall, but it will recover more slowly than it has in our previous post-war recessions.

The other principal reason for the general sluggishness of the recovery is that plant and equipment expenditures regularly lag behind changes in final unit sales. The 10 percent investment-tax credit is a powerful stimulus for new investment, but it will not effect rates of spending on capital goods very significantly in the next six months. It will begin to be felt more strongly in about nine months; by the second half of 1976, it will lead to a substantial volume of expenditures that otherwise wouldn't have been made. In the meantime, there is still a heavy stock of excess inventories to be worked off, and business will probably be cautious in restocking for quite a while.

For all these reasons, I think that the recovery will be relatively solid but restrained. Inflation rates have already fallen substantially and—apart from the effects of any bad weather on crops and the chances of further increases in oil—we can expect some further easing in inflation over the next year. The effects of our $25 billion tax cut and of the recent easing in monetary policy will build up over time and lead to a very substantial recovery.

If any further increases in federal spending are of a "self-extinguishing" character—such as increases in unemployment benefits, which are automatically eliminated as recovery proceeds—and if monetary policy prudently, but gradually, moves toward restraint as our resources become more fully utilized, we will be in a position where recovery should be substantial *and* sustainable, and without the inflationary overheating that has marred recent expansions.

Mr. Markham, in the face of the recession, what can government, working with business, do about finding immediate and long-range solutions? What, particularly, is the role and the relative efficiency of the regulatory agencies?

Professor Markham

Professor Markham: As a nation, we have, historically, relied very heavily on *market* regulation in those areas where the market seems to function quite well. That is, we leave most business up to market forces to regulate, provided that business itself doesn't capture and control those forces. Government regulation here consists mainly of anti-trust policy.

The second type of situation that introduces government regulation into the picture occurs when this balance of competitive forces is impossible to attain or when these forces are so weak that they will be ineffective. To deal with such situations, we've created a group of rather unique institutions known as public commissions, which are responsible for regulating their respective industries. Nearly everyone agrees that such regulatory commissions have functioned badly and inefficiently, but we are uncertain about what should be put in their place.

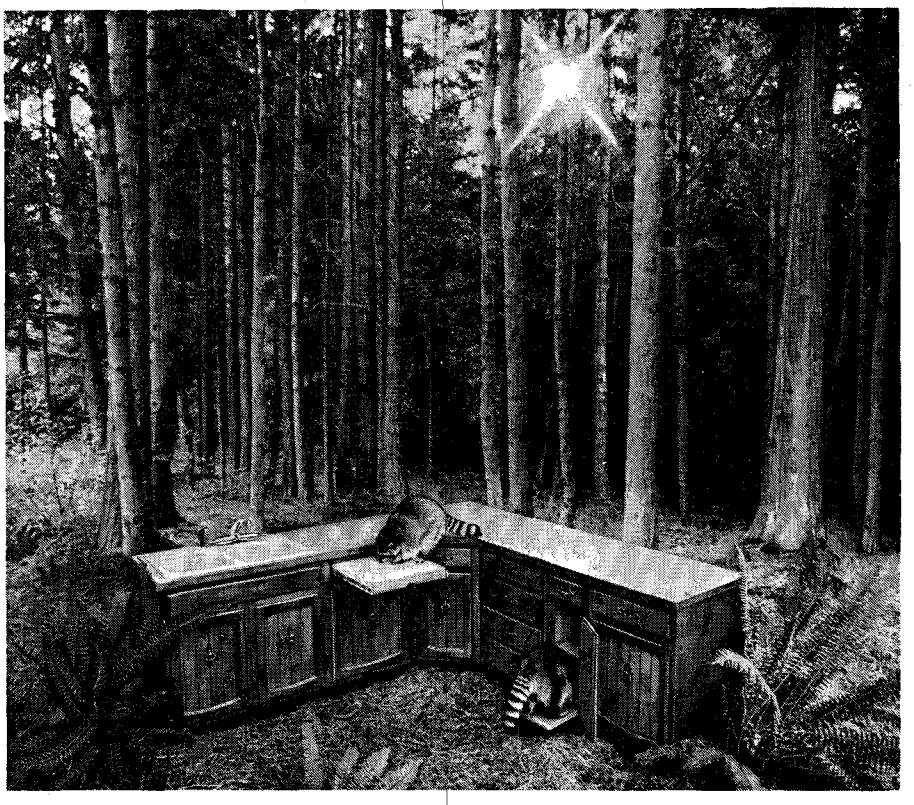
A small residual portion of the economy, generally unattractive to private capital, is left to direct government management; for example, TVA and NASA.

I see no evidence that we have developed instruments of public management or public entrepreneurship that hold out any promise of better regulating and governing the large sector of the economy that we historically have left up to the interplay of market forces. Hence, I see no reason for shifting some industrial sectors out of what we call the private sector into either the publicly regulated sector or the public-managed sector. Indeed, there are some persuasive arguments to support the view that if anything, we perhaps need to shift some industries out of the comprehensively regulated sector.

On that I'm not alone. I really don't see any particular reason for the comprehensive regulation of entry and exit in intrastate trucking or in many other

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

International Paper explodes a myth about its forests.



Some people think we use our forests just to make products.

That's probably because we do make a lot of wood and paper products. Long-Bell® cabinets (like those in the picture). Lumber for homes. Plywood. Utility poles. Pulp. Paper. Linerboard. Corrugated containers. Milk cartons. Hundreds of different products.

But we also use our forests for things that money can't buy.

A home for wild animals.

In 1957 we started a wildlife program to make sure our forests would make the best possible home for wild animals. Here are some of the ways we help Mother Nature.

We thin the woods to flood the forest floor with life-giving sunlight. This encourages the growth of tender shoots, twigs and leaves that animals love to munch on.

We plant rye, chufa nuts, and wheat.

In some places we even cut down tall grasses which, oddly enough, increases the number of insects for young quail and turkeys to gobble up.

We usually harvest with an irregular border to give animals more enticing areas for browsing and better cover.

We'll spare the nesting tree of a red-cockaded woodpecker. We've restocked alligators (an endangered species) in the swamps of Arkansas. We saved 500 deer from starving during the '73 Mississippi flood.

We're rewarded. There are now more deer, quail and rabbits in our managed forests than there were 100 years ago.

A haven for Man.

We believe our forests should also be used for Man's enjoyment. Last year, over 2,000,000 people enjoyed some form of recreation on our lands.

We allow hunting and fishing on just about all of our timberlands.

We open our woods to everyone whenever we can—hikers, campers, bike riders. We even have areas with boat-launching ramps, picnic sites, and, in some cases, nature trails.

More water, better air.

Forests help conserve water. In fact, three-fourths of America's freshwater supply comes from a third of her land—the forest lands.

Tree limbs, leaves and mulch help save water by slowing down the runoff of rain. This also checks erosion.

Another good thing about trees. They increase the supply of available oxygen—if they're *growing* trees. (Old trees actually use up as much oxygen as they give off.) The fact is, an average acre of vigorously growing trees can breathe in 5 to 6 tons of carbon dioxide and breathe out 4 tons of fresh oxygen every year.

Take a deep breath. Today, International Paper is reforesting its lands with five trees for every one it harvests.

Getting the greatest use from our forests. Another example of International Paper's responsiveness to a fast-changing world.

INTERNATIONAL PAPER COMPANY

220 EAST 42ND STREET NEW YORK, NEW YORK 10017

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

areas. Often, these regulations increase costs, rigidify the industry's structure, and leave uncertain the question of who is really managing the ship.

But let me come back to anti-trust policy itself. I think it's generally agreed that on the whole, anti-trust laws, until recently, have been administered too weakly. There probably is a good bit of informal and formal circumvention of the price system that is never uncovered. By its very nature price fixing is kept secret or is accomplished through informal rules of behavior. But anti-trust policy is clearly being administered much more vigorously now than perhaps it has been at any other time in our history. Anti-trust agencies are presently testing the outer bounds of the meaning of a fairly comprehensive array of anti-trust laws.

The unfortunate part about this whole area of government-business relations is that there is no clearinghouse. Agencies carry out their functions independently. And that is my real concern in this whole government-business relationship. Much has been said about whether or not the market economy has lost its viability and vigor. I think one could make a pretty good case that the complete lack of coordination and the piecemeal interjection of specific regulations to protect certain industries or groups in the economy from the rigors of competition have had a bad effect on the economy. Many regulations have simply grown like Topsy.

The problem, as I see it, is not that the market economy is functioning with less plasticity or with less capacity to adjust, but that government has injected too many rigidities into the economic process. It's the political process by which they get injected that I think ought to be of some concern. We have anti-trust laws, and then Congress passes a fair-trade exemption law, which for all practical purposes lets manufacturers legislate final prices. To protect those who are in industry, we have carried licensing to an extreme.

My point is that in this government-business relationship we need at the federal level the equivalent of the budget clearinghouse just adopted by Congress, and it should become effective next year. It's perfectly apparent to me that many government regulations work in opposition to what we claim to be our national policy. On the whole, they restrain tremendously the operation of market forces.

So I don't think we'll ever really know what the appropriate role of government is until the conflicting interpositions of government are eliminated from the economy. As matters now stand, it is very difficult to define what the government's purpose is.

In tracing through developments in the economy, I see no persuasive reasons pointing toward a tremendous reshuffling of this division of labor between government and the private sector that I have been talking about. Many voices are calling for such a reshuffling. But I view this matter in very practical terms: who is prepared, for example, to have the government take over the telecommunications system?—which would be, I suppose, a reasonably logical choice. And on pragmatic grounds, it really doesn't make any difference whether the government takes over the railroads—they couldn't be run any worse!

In sum, a return to vigorous prosperity for Americans does not seem to rest upon any major increase in government involvement. Indeed, a strong argument could be made for less.

Mr. Stobaugh, it would seem that America urgently needs to re-evaluate its demand for energy and its attitudes toward energy. Can we ask you to give us your thoughts on the problem?

Professor Stobaugh: Unless some present governmental policies are changed, America is not likely to obtain both a clean environment *and* the amount of energy that it is going to demand. To solve this problem, we should not compromise our environment. But we should remove price controls on domestic production, forget about any scheme for an international floor price for oil, and stock a large inventory of oil to protect our economy in case of a cutoff of imports. Business should take the lead much more than it has in the past.

To be sure, higher energy prices have already caused a certain amount of re-evaluation among consumers. A *decline* in energy consumption has taken place instead of the exponential growth that some people had been predicting. After all, crude oil prices tripled overnight, and this shock to the country's system has been a major problem, but not the only problem. For quite apart from the oil-price crisis, the nation has been facing some tough energy problems for quite a while. In particular, the United

Professor Stobaugh

States has three key problems that are not solvable by conventional economic analyses. This is unfortunate, because if an economic analysis highlights clearly the best solution for the nation, there is a better chance of gaining wide support for that solution.

One such problem concerns the *extent to which the United States should rely on imported oil as an important energy source.* The U.S. economy can easily handle the balance-of-payments problem, and economists can calculate whether the United States should produce high-cost domestic energy instead of importing lower-cost energy. But the political issues are the overriding ones: how important is it to keep U.S. oil imports low in order to protect our preeminence on the world political scene? How important militarily is it to be relatively self-sufficient in energy?

The second problem not readily solvable by conventional economic models is *energy versus the environment.* This problem causes headaches not only in energy production but also in energy consumption. Take energy production: how much is it worth in terms of energy supply to strip-mine coal? How important is energy supply compared with the "psychic income" that people here in Boston and Cambridge would derive from knowing that reindeer would not have to step over a pipeline in Alaska? How important is energy supply compared with New England's desire not to have drilling off Cape Cod? And on the consumption side, how important is electricity made from high-sulfur coal compared with the sicknesses that the burning of this coal may cause?

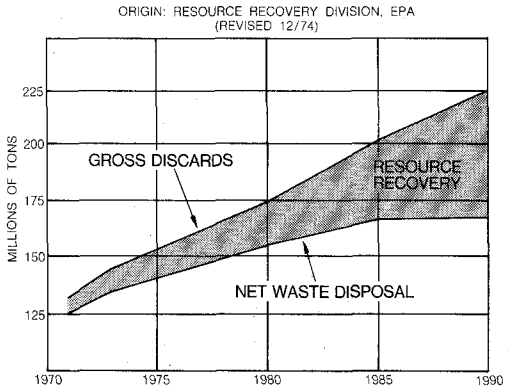
The third problem that is inaccessible to economic analysis is the problem of *centralized versus decentralized government.* Because of the mixture of national and local controls, an energy project often requires the approval of governmental organizations at several levels—

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Progress Report / Resource Recovery

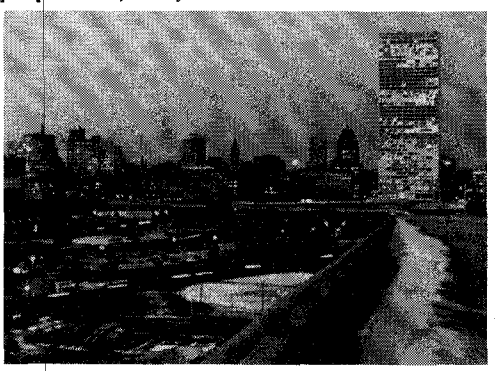
What America is doing to reclaim energy and materials from municipal solid waste.

Encouraging news in the war on waste



To date, more than 50 U.S. communities are planning or actually operating resource recovery facilities. These facilities are designed to recover some of the $2 billion worth of reusable materials in the estimated 150 million tons of refuse Americans will discard this year alone. Significant trends are emerging. The chart at left is based on a recent study by the Environmental Protection Agency. It plots the expected growth of municipal solid waste (top line) . . . and the projected increase in resource recovery (shaded area). It shows that in 1971, we recovered only 6% (eight million tons) of our solid wastes. By 1990, we should be recovering 26% (58 million tons). And, as the chart also shows, net waste disposal could level off by 1985 as the increase in recovery equals the increase in gross discards.

Resource recovery, big city style: Milwaukee, Wisc. (pop. 717,099)



The lights of Milwaukee's skyline: next year some of them will be lit with electricity generated by burning the city's garbage. Milwaukee has become the first city of its size in the U.S. with a long-term contract for systematic solid waste recycling. In mid-1976, an $18 million facility designed, constructed, financed and operated by American Can Company's Americology unit is scheduled to come on stream. When it does, about 20% of Milwaukee's annual 270,000 tons of municipal waste will be reclaimed for its usable steel, tin, aluminum, paper and glass. Another 60% will be converted into combustible material with the annual energy equivalent of 75,000 tons of coal. Wisconsin Electric Power Company will buy this fuel to help light the city's homes and offices.

Resource recovery, small town manner: Ames, Iowa (pop. 39,505)

Ames is a college town in the center of Iowa's corn country. The garbage landfill sites Ames had used for 15 years were almost full. But Iowa farmland was too valuable for dumping solid waste. So Ames looked for alternatives. A study committee found that a resource recovery plant was not only feasible, but also offered several positive advantages. Last year, the City Council passed a bond issue. This Fall, the plant goes into operation. The town expects to recover $2,000 a week by selling the metals reclaimed from its garbage. The municipal power plant will buy the combustible fraction for use as a supplementary fuel. Because this fuel has a low sulfur content, air pollution will be reduced. And because resource recovery will salvage most of what Ames formerly discarded, landfill requirements will be slashed by more than 92%.

Did you know that . . .

The "garbage" Americans throw away each year contains: enough ferrous metal to build 4 million cars . . . enough paper to print every major newspaper in the country for a year . . . enough combustible material to generate the energy of over 200 million barrels of oil. ☐ A recent study forecasts that 10% of America's garbage will be used for energy by 1980. Projections from another study indicate that more than 300 communities with populations over 10,000 will launch major resource recovery projects in the next five years. ☐ Connecticut plans a network of nine regional resource recovery plants. Contracts have been signed for the first plant; it will provide the electrical energy needs for approximately 10% of the Bridgeport region's population.

American Can Company
American Lane
Greenwich, CT 06830

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

national, state, county, and city. In one case a company had obtained approvals from 63 governmental bodies but then had a nuclear power plant "out" for six months because it didn't get the sixty-fourth approval—from the local conservation commission.

In addition to these three areas that don't lend themselves to solution by economic analyses, there is a fourth critical area: the question of whether the nation is going to rely on a government-controlled allocation system in order to determine who gets what energy in what form—or whether we are going to rely on the price mechanism in order to determine allocations. This problem has two sides, the consumer's and the producer's.

First, take the consumer's side and gasoline as an example. The best study of the subject that I've seen comes to the conclusion that the Federal Energy Agency, through its allocations system, caused the long gasoline lines in February 1974. The agency assumed that it knew exactly who needed what, and it told the refineries to produce on that basis without taking into account weather changes or any adjustments in consumption by the consumers. And now Congress is considering whether to maintain price controls, arbitrarily reduce gasoline output by 2 percent, and allocate the available supplies to various states. The result would be more lines at the filling stations.

So the consumers face two alternatives: (1) an allocation system that operates *outside* the price system and that entails an arbitrary allocation for each consumer, perhaps long lines, and a "black market," or (2) a system in which price itself is allowed to allocate the flow of gasoline. Conventional economic theory indicates that consumer satisfaction is maximized if the price system is used rather than the arbitrary allocation system.

For the producer's side, price controls are causing uncertainty; hence people are less willing to spend money on the search for oil. Also, the price controls put a ceiling on the economic incentive to produce. Oil companies are inhibited from injecting high-cost chemicals into "old" oil fields to keep production from falling, because any such oil recovered is subject to price controls. And then there is the familiar problem of natural gas: the controlled prices hold profits so low that producers won't spend money to find enough new gas (and consumers get natural gas at a lower price than the free market would dictate).

I think it's only fair to say that the energy situation is so complex that we're not going to have—at least not in the near future—a well-coordinated national energy plan. That being so, our immediate actions must be piecemeal.

First, we need tough environmental laws, and business ought to take the lead in this respect. Business has too often tried to hold back the environmentalist movement; a good example is its opposition to a strip-mining bill. With the enormous rise in oil prices and the concomitant rise in the value of coal, the coal industry could afford to fund environment-rebuilding projects, and the mere existence of tough legislation would remove uncertainty and provide a framework within which to move ahead. Yet the lobbyists fight strip-mining legislation tooth and nail in Congress, and I think that is a strategic mistake.

From other energy industries the uncertainties should be removed so that people can spend money and produce more energy. An essential step in removing uncertainty is the removal of price controls, such as those on oil and natural gas. And if it's politically unacceptable to remove price controls without levying taxes on some of the energy producers, then a combination of removing price controls and imposing taxes would be far better than what we have now. Such tax income could be used for providing reductions in income and sales taxes, among other things.

Both business and government have been less than responsible in the energy picture. Both have taken too much of a short-term view. Business argues for measures that will help it most in the short term. If business wants to drill offshore of New England, the reasoning is, "Let's have the national government control the offshore land and grant us drilling rights." But in regard to the Federal Power Commission's control of natural-gas prices, the reaction is, "Let's get rid of national controls and go to state control."

As for the government, a good example of the problems encountered in solving the energy situation is the hypocrisy in New England. For years New England used low-priced, imported fuel oil, whereas, because of import regulations, the Midwest had to use higher-priced, domestic fuel oil. But when imports were reduced during the oil-supply crisis, New England received a share equal to that of the rest of the country. And now New England politicians do not want a local refinery or drilling off New England; yet they want energy costs as low as those in the rest of the nation, even if getting them will require a subsidy from Washington. I question whether politicians in the rest of the country will allow New England to receive such preferential treatment in the long run, though for a short time they may. But such short-term outlooks by elected officials are a major roadblock in the way of reaching an adequate solution to the long-term problem of bringing energy supply and demand into balance.

Professor Goldberg, what can you tell us about food—both as an industry and as a universal human problem?

Professor Goldberg: Roughly 60 percent of the world's population is involved with food; so it is a basic industry. We'd like to think of the United States as an industrial society. But over 60 percent of the total assets of all U.S. corporations and farms combined is in agribusiness—that is, in the whole food system, from farm supply and farming to food processing and distribution. Some 25 percent of our labor force is employed in agribusiness operations, and roughly 25 percent of our consumer expenditures is for food and clothing made from U.S. farm products.

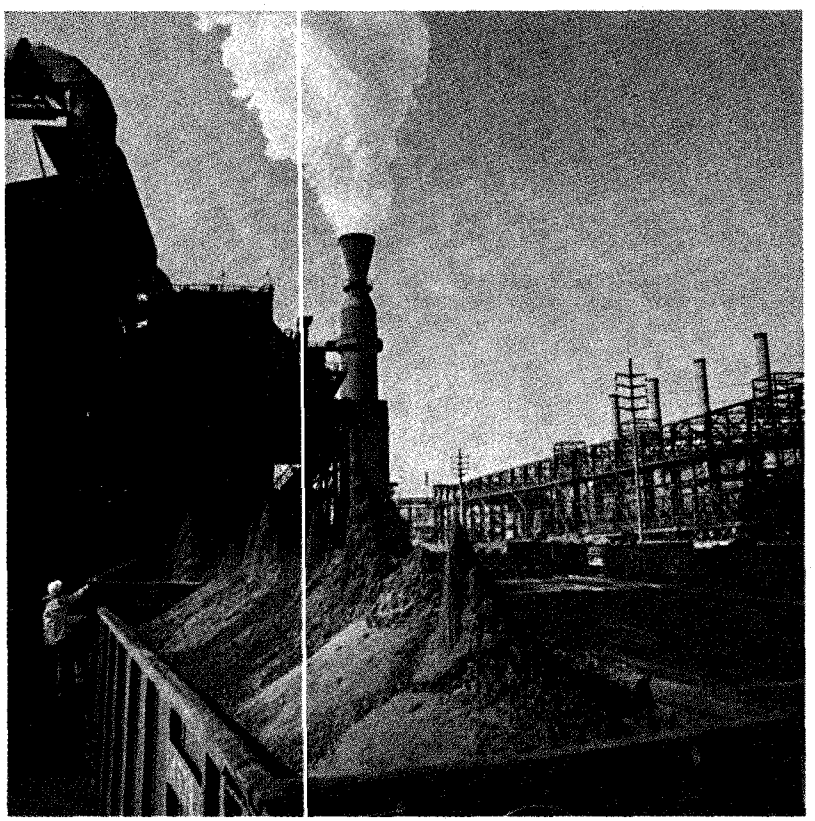
So agribusiness is a major industry even today in the United States. It's one that's been taken for granted, because we've had excess capacity—excess in the sense that of the approximate 400 million crop acres in this country, roughly 60 million of them have been idled in the last 25 years. We've also built up agricultural surpluses.

In analyzing our food system, we must view it in terms of economic incentives for participants in the system as they respond to consumers' changing nutritional needs. Their responses are more than economic in nature. In the course of the years, what people get paid for producing food and what you and I pay for eating food have always been political as well as economic questions. We've had a bipartisan agricultural or agribusiness policy in this country for many years. And that policy, simply stated, is this: we want to have a minimum price support for our food system to encourage farm production and to encourage

(Continued on page 34.)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Out come the cleaned gases



. . . thanks to a pollution control system that can collect 150 tons of dust daily

Basic oxygen furnaces are one of the most efficient steelmaking systems in the world. But BOFs generate tremendous quantities of dust-laden gases.

How to remove the dust from the gases—and prevent it from discharging into the atmosphere?

When we installed the two BOFs at our Bethlehem, Pa. plant, we also installed electrostatic precipitators at a cost of almost $5 million. These precipitators operate at higher than 99 per cent efficiency for dust particles over a wide range of micron sizes.

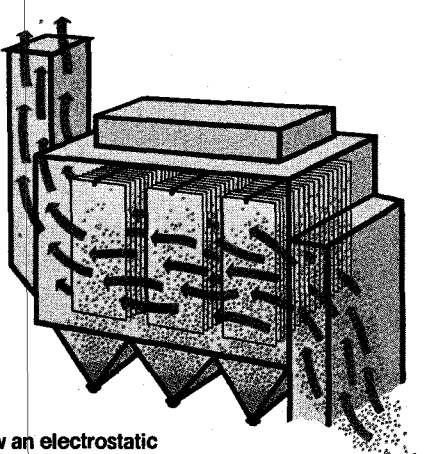
Every time we make a heat of steel in one of these furnaces, the precipitator removes about 5 tons of dust from the exhaust gases. At peak operation of 30 heats a day, that can add up to some 150 tons daily . . . approximately 50,000 tons annually. The cleaned gases are discharged through a stack.

What do we do with the iron-bearing dust particles we collect? We form them into pellets and recycle them through the ironmaking process.

Our environmental program is a continuing one. In the past 5 years alone, Bethlehem has spent about $130 million for environmental protection and pollution control equipment. We expect to spend more than $600 million for such equipment during the next 5 years. In addition, about 12 per cent of the initial cost of pollution control facilities is required to operate them each year.

Bethlehem BETHLEHEM STEEL

Away goes the collected dust



How an electrostatic precipitator works

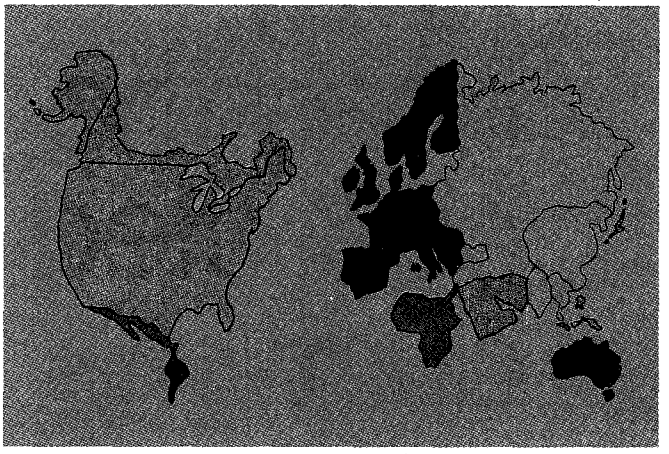
Dust particles are collected by passing dust-laden gas between negative electrodes and grounded metal collecting plates. The dust, which has been charged by negative electrical charges emitted from the electrode, is attracted to and retained at the positive collecting surface. From time to time an automatic rapping system knocks the accumulated dust into storage hoppers.

A "Statement on Environmental Quality" explains our concern for and contributions to a more healthy environment both now and in the future. If you would like a copy, write: Public Affairs Dep't., Bethlehem Steel Corporation, Bethlehem, PA 18016.

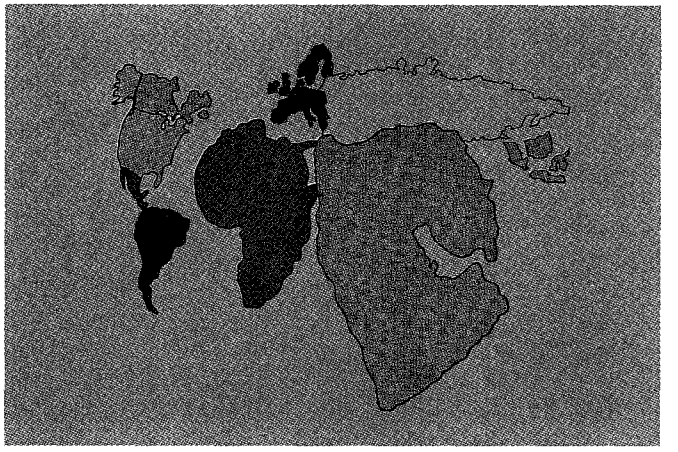
PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America's coal: a gold

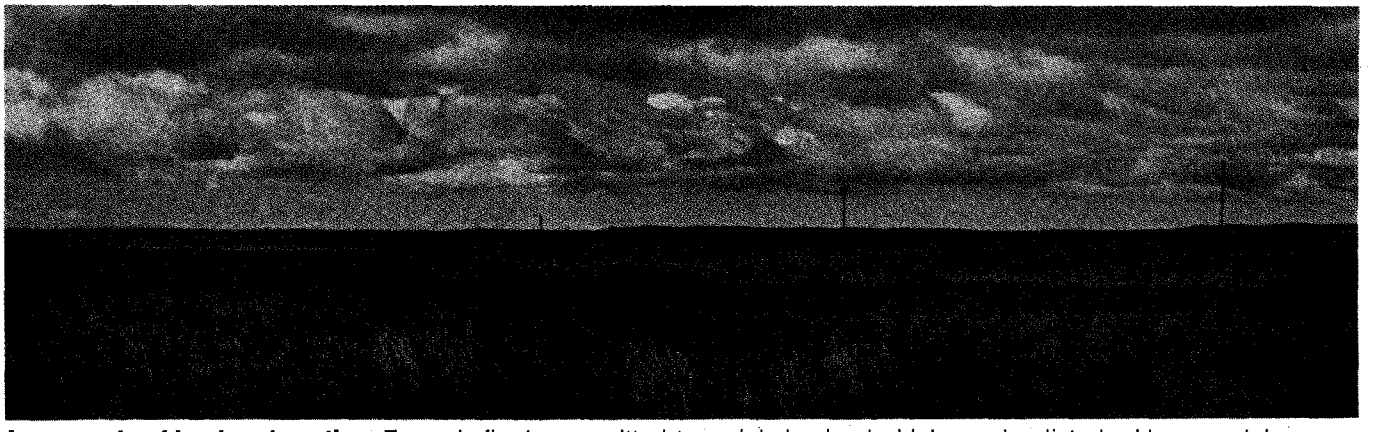
The U.S. has more energy in coal than in oil and gas combined. Here's what Exxon is doing to help put coal's energy to work today.



The world of coal. The map above shows what the world would look like if the size of each country were in proportion to the coal reserves under its land. America—with nearly half the free world's coal—dwarfs Europe and the Middle East. Experts estimate that at the rate the United States uses coal today, these reserves could help keep us in energy for the next two hundred years. This could help supplement dwindling supplies of U.S. gas and oil—and more importantly, provide our country with an energy source that's right here at home.



The world of oil. This map shows where the world's oil is located. Most of it is in the Middle East. By comparison, however, the energy in U.S. coal is twice the amount of energy in Middle East oil. Exxon anticipated the growing demand for coal several years ago. That's why Exxon is continuing its program aimed at helping America take greater advantage of this vast energy resource. Exxon scientists and engineers are working to find better ways to mine coal, cleaner ways to burn it, and new ways to put coal to work.

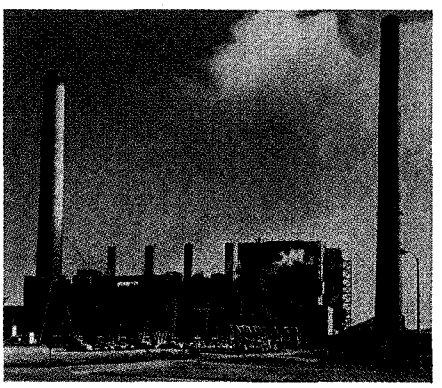


An example of land reclamation. Exxon is firmly committed to reclaiming land which may be disturbed by our mining. We have no operational coal mines in the West right now. But, our uranium mine near Casper, Wyoming, is an excellent example of how our reclamation program works. Since operations began, Exxon has been continually contouring, planting and reseeding the disturbed areas with yellow clover, crested and western wheat grasses. Right now, it's difficult to tell the natural landscape from the reseeded landscape. When we've finished mining here, the land will be at least as productive as it was before we came.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mine of energy.

A new kind of coal town. To most visitors, the Court House at Carlinville, Illinois, typifies the picturesque beauty of this Midwest community. In 1970, Exxon opened a new mine near Carlinville. Today, the town is still as clean and picturesque as ever. And a lot more prosperous. Employment is up 22 percent, with over 300 new and high-paying jobs. Recently, leaders from other prospective coal towns visited Carlinville to see how coal mining and a good city can thrive side by side.



America's biggest coal users. Most coal used in America today is burned by electric power plants like the one above. These plants consumed about 400 million tons of coal last year. By 1985, this figure could jump to nearly 700 million tons. This surge in coal consumption will go a long way toward freeing gas and oil for other purposes. And it will also mean thousands of new jobs for people here in the United States.

New mines, new miners, new methods. Putting a modern coal mine into production calls for a lot more than a pick and shovel. Many years must be spent in planning and development. New mining techniques must be tested. New mining talent must be trained. New transportation systems must be set up. All so that when a new Exxon mine opens it will produce coal in the most efficient and environmentally responsible way.

Cleaner energy from coal. Exxon is deeply involved in pollution control research. The TIGER van—or Traveling Industrial Gaseous Emission Research vehicle—is an important part of a program Exxon is conducting for the Environmental Protection Agency. The TIGER van's job is to monitor and record emissions from coal-fired boilers and power plant stacks. The data collected is used by Exxon engineers to test new coal combustion techniques which may help bring America more energy without more pollution.

EXXON

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Continued from page 30.)
the use of modern technology in farming. The assumption is that if we encourage farmers, we will produce enough food at a reasonably low price level.

In the last 25 or 30 years, we've had grain surpluses, and we've supplied roughly 50 percent of all the grain traded in the world. So we are part of a world food system. But we have thought of ourselves as isolated from that system politically, because we have been isolated from it economically.

Traditionally our price support program was, until 1972, higher than the world price, so that we had to pay a countervailing offset for our exporters to be competitive in the world market. Picture, if you will, surpluses being readily available for all the processing people in our country and outside of our country, and for all the people involved in the feed industry and the poultry, livestock, and hog industries. Roughly 80 percent of the grain that we use in our country goes for that livestock and poultry industry. So, our price supports provided price stability not only for the cereal portion of the human food economy but also for the animal section of it, in the form of cheap feed. It also provided price stability for other crops competing for land use.

If you look at the grain price levels, except during the Korean war and the corn blight, with minor exceptions the price level varied very little—maybe 10 or 20 cents a bushel throughout that whole period. Because we were overpricing the rest of the world, we provided price stability not only for the United States but also for the rest of the world, because we were the umbrella beneath which the other nations sold their products. We provided the price incentive for them to produce their products—sort of a *Pax Romana* for grain prices throughout the world.

Most people want our price supports to be geared to some sort of world market, but in fact there's no such thing as a world market. There are 60 or 70 governmental price support programs. How does one fit together a variety of governmental pricing arrangements into an international system? Some firms are doing so on a unilateral basis. Individual sugar users now have five-year contracts with sugar producers on a formula basis. The European Economic Community has a five-year contract with approximately 36 developing countries for a whole variety of commodities.

Professor Goldberg

So some degree of planning is already taking place. And institutions are being created so that the job will get done. The talk is not about a change of ideology, but is rather an explanation that these are our requirements, and this is how we're going to get the job done.

We've paid a big price for not having grain reserves, and one of the persons who paid the biggest price was the livestock and poultry farmer in this country. The members of the livestock industry lost $5 billion of realized losses in 1974 and another 15 billion dollars' worth of inventory losses in one year, because cheap feed was no longer available to them. So I look upon the food system as going back to a reserve system out of necessity.

Judging by the world projections that I see, we'll have surpluses of wheat from now until 1985. We'll have shortages of corn and soybeans because of the feed economy. But if the economy starts getting better—not only our economy but also the worldwide economy, which is also currently in a recession—the surplus in wheat will be used as a feed component to upgrade the diet of the world. I see shortages and surpluses still occurring, but we will develop reserves that tend to moderate that kind of pressure. In addition, our PL 480 Food For Peace Program will be used for those nations that lack the means to pay for food but are trying to organize their food system.

Now, you may ask why food prices are higher, while commodity prices have declined. Part of the reason is an increase in costs—the cost of all labor went up 10 percent in 1974, food-retailing labor more than 20 percent, energy 52 percent, packaging 30 percent, and transportation 10 percent. Profits also rose, reflecting a one-third increase in inventory profits and a catch-up phase after price controls were removed.

What I'm saying, in part, is that our agricultural institutions have left the traditional ideology behind—not 30 or 40 years ago, but back in the revolutionary period of this country when Shays's Rebellion occurred in 1786–87. At that time, the farmers of Massachusetts asked for a paper-money issue so that they could keep their farms, and the State Legislature reacted by exempting certain items from debt process. Today what most companies and most farmers do is to utilize government farm and food programs as part of their own operations.

The immediate problem now is, How do we influence international food policy? First, we don't have those reserve stocks right now. If by chance we have another bad-crop year as we did last year, instead of having to worry about surpluses and building up reserves, we could have another commodity-price-pressure crunch. So we're not out of danger, and I think it's important to recognize for the near term that we are still very much of a weather-vulnerable food economy at the moment.

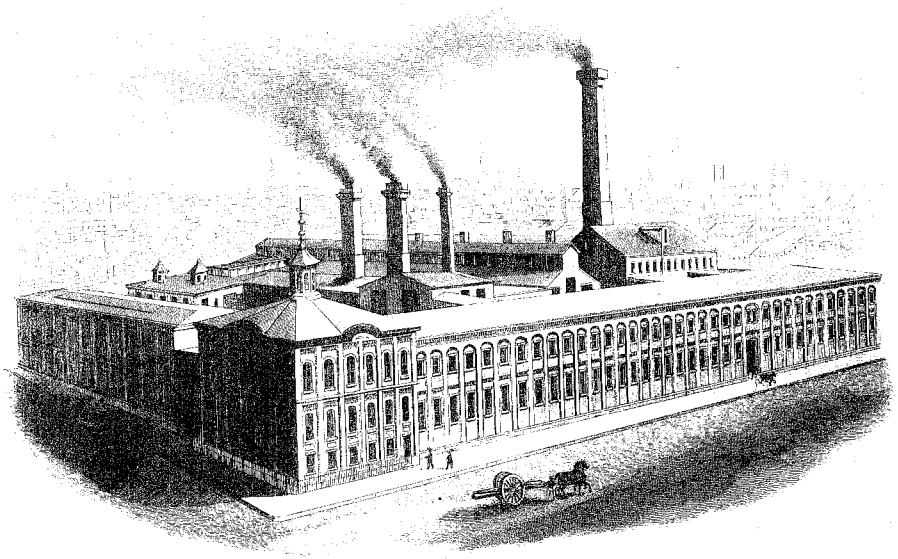
The attitude of the rest of the world toward food policy is similar to the one with respect to energy policy. Many people like the OPEC approach: they are calling for changes in the coffee agreements and the various types of sugar programs, because they are fearful that once food stocks are built up throughout the rest of the world, they will be under price pressure.

I think that we're going to have to set our agricultural export policy in cooperation with four or five major exporting nations. And we're going to have to figure out some multilateral arrangements for pricing our agricultural commodities versus other commodities. I think that the new social-priority system we've seen emerging domestically is emerging internationally as well.

Finally, high food prices in the United States and in the world have adversely affected the poor, the unemployed, and the elderly. One reaction to this fact has been the development of specific food-aid programs for these consumers, from food stamps to special consumer subsidies. One out of every 10 Americans utilizes food stamps. Such food-help programs will undoubtedly be a continuing part of U.S. and world food policy.

Agribusiness, then, is already an advanced economic philosophy. The resources and means are available to feed the world. A new level of international coordination and an effective coalition of government, business, and finance can move agribusiness to new prosperity. □

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Culver

The Perilous Prospect of a Low-Growth Economy

Business executives are increasingly fearful that a prolonged period of slow growth will not only imperil the quality of American life but even threaten the capitalist system itself.

by Gurney Breckenfeld

Future American historians will perhaps define the years starting in the mid-Sixties as the Age of Incontinence. The characterization clearly fits the nation's behavior in matters sexual, moral, linguistic, musical, and perhaps even military. Unfortunately for those among us who still labor for a living, the phrase also applies to the realms of economics and politics. Above all else, it was the inflation brought on by a prolonged and politically inspired orgy of government overspending that plunged the United States into its severest recession since the Thirties.

In economics, as in nature, incontinence leads to depletion. Instead of bounding back from the present recession to new heights of prosperity, the U.S. economy this time is much more likely to recover gradually and unevenly, with lingering aches and pains reminding us that the system isn't functioning as well as it once did. The recession has cut so deeply that the nation faces the longest spell of high unemployment since before World War II. President Ford's prediction that unemployment will remain above 6 percent for the rest of the decade is now widely accepted.

It is now becoming evident that the disagreeable unemployment prospect is only the visible tip of an economic iceberg bearing down on the U.S. economy. A substantial number of economists and businessmen are convinced that the nation has entered a prolonged period of slow economic growth, which will imperil the rising standard of living that Americans take for granted. For the past quarter-century, our real Gross National Product—that is, the total output of goods and services after the inroads of inflation have been stripped away—has risen at an average rate of about 4 percent a year. But over the next 10 or 15 years, that increase will probably run at least one-half percentage point lower. Some estimates place annual growth as low as 3.2 percent.

A one-half-percent decline may sound too small for us to worry about, but over time it becomes the difference between a cornucopia and austerity. At stake are jobs, incomes, profits, and, ultimately, the shape and quality of American life. The economic growth rate operates just like compound interest on a personal savings account. Fifteen years of 4 percent real economic growth will increase our total output by 81 percent; 3.4 percent growth will raise it only 65 percent over the same span of years. "Growth is the safety valve in the U. S. economy," observes Samuel Schwartz, senior vice-president for planning at Continental Oil Company: "It's the margin that permits the private-enterprise system to function."

That view is widely shared among business executives. Accordingly, the prospect of slow growth has raised a pervasive sense of anxiety about the future. Is the United States slipping into an era of economic stagnation, as Britain has? With less pie to be shared, will the nation become embroiled in political strife trying to decide how to divide it? Will government overdo its efforts to revive the economy and propel us first into another burst of double-digit inflation and then into another recession worse than the present one? Can our political system stand the strains? Will the trend toward increasing government regulation of business lead all the way to federal control of private enterprise?

All these uncertainties tend to paralyze corporate decision making. "The men in America's boardrooms are scared," says Walter Hoadley, executive vice-president and chief economist at the Bank of America, the country's largest. "They're concerned about regulation, interference, harassment, penalties on foreign earnings, and so on. So they're sitting on their bottoms, waiting for the outlook to clear up, and they aren't making the investments we need. The attacks on business and the changes in the political power structure create major pressures against doing things that ought to be done. The net of it is that we'll probably have to queue up because of shortages again, sometime in the next decade. And then we're going to have more and more inflation. Yet we'll have to come closer to real trouble before public policy will begin moving in the right direction."

The Constraints

For all the corporate leaders' misgivings, it is clear that they increasingly realize that an era of slow growth will force them to adopt policies quite different

Gurney Breckenfeld is a member of the board of editors at Fortune *magazine.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Paying Attention To Business...

CAREER ADVANCEMENT GUIDE
By* EDWARD L. ADAMS, JR. *263 pp.

One of the nation's leading consulting psychologists to management guides you through a systematic process that helps harness your best personal points and individual interests—showing how you can direct them to reach desired goals. Explains your personal pluses and tells how to program them.

THE EXECUTIVE MONEY MAP
By* DAVID J. McLAUGHLIN. *252 pp.

The only comprehensive, up-to-date work of its kind, this information-filled volume shows how to realize your full earning potential, and how to shorten the years it takes to achieve personal financial independence. Solid, practical advice that you can apply to your own financial situation in planning your future and improving the "return" on your working life.

YOU AND YOUR WILL
The Planning and Management of Your Estate
By* PAUL P. ASHLEY. *252 pp.

Fundamental rules and concepts that every owner of property—and anyone who may inherit it—should know concerning the passing of ownership. In layman's language, the author systematically raises and analyzes all issues that must be understood to insure that inheritance is *neither financially nor emotionally costly.*

THE COMMODITY FUTURES GAME
Who Wins? Who Loses? Why?
By* R. J. TEWELES, C. V. HARLOW, *and* H. L. STONE. *630 pp., illus.

Covers every aspect of the commodities game as no other work in print. Offers a comprehensive treatment of futures trading, from required theoretical concepts of markets right down to creative real-life applications. All aspects of the game plan explained in nonmathematical terms.

J. K. Lasser's
HOW TO RUN A SMALL BUSINESS
Rev. by* J. K. Lasser Tax Institute. *4th Ed., 306 pp.

How to start, operate, and expand your own business for maximum profits, all described in this classic guide—a vast storehouse of hard fact, practical advice, specific rules, and proven practice. Completely revised and updated to help you meet today's business problems.

At bookstores or direct from publisher for 10-day free examination.

McGraw-Hill Book Company
1221 Avenue of the Americas
New York, N.Y. 10020

Please send me the book(s) checked below for 10 days' free examination. At the end of that time, I will remit for the book(s) I keep, plus local tax, postage, and handling, or return the book(s) with no further obligation. SPECIAL SAVINGS: I understand that if I remit in full, plus local tax, with this order, McGraw-Hill pays postage and handling charges, and that return and refund privileges still apply.

_____Career Advancement Guide (000275-4), $19.95
_____The Executive Money Map (045390-X), $14.00
_____You and Your Will (002407-3), $10.50
_____The Commodity Futures Game (063726-1), $16.95
_____How to Run a Small Business (036565-2), $9.95

Name_____

Address_____

City_____State_____Zip_____

This offer subject to acceptance by McGraw-Hill and good only in the U.S. E-180-4065-3

from those that have worked ever since World War II. The story of U.S. business during most of those 30 years may be summed up by Oscar Wilde's wry aphorism: "Nothing succeeds like excess." The central corporate strategy was fast growth. It covered up mistakes and exposed hidden opportunities. In contrast, a low-growth economy will reward wisdom instead of aggressiveness. It will put a premium on prudence, efficiency, and cost cutting. In this more treacherous business climate, mistakes are apt to bring harsh punishment in the marketplace.

In order to understand the large dimensions of this shift, we should look first at some of the powerful forces that have converged to restrain economic growth and to diminish the advance of American affluence. Of seven constraints that appear most significant, all but the first are partly or wholly political.

(1) POPULATION. The leveling off of U.S. population growth will limit the size of the market for goods and services and, somewhat later, the size of the labor pool available for producing them. Last year's population increase of 0.7 percent was the lowest since the Thirties.

(2) ENERGY. The huge rise in the cost of energy, which began with the 1973 oil embargo, has already made the nation lose the greater part of a normal year's increase in affluence. Now that there is plenty of gasoline and fuel oil, the public has relaxed about the "energy crisis." Unfortunately, the crisis persists and steadily grows more ominous. It has long been obvious that the United States must curb its appetite for oil and other forms of energy, increase domestic supplies, and reduce its reliance on foreign sources.

President Ford has done what he can to hitch marketplace forces—the most effective weapon available—to the nation's energy objectives. But he cannot, for example, remove the price ceilings that have helped to create shortages of natural gas. The combination of environmental restrictions and uncertainties about government policy is delaying the development of our abundant reserves of coal. Electric utilities, caught between soaring fuel costs and torpid regulators who dally before allowing them to raise their prices, are in such a bind that they have been sharply curtailing planned expansion of their generating capacity. In five or six years, the resulting power shortages may well force some factories to shut down.

(3) CAPITAL. A shortage of funds may prevent U.S. industry from expanding and modernizing its factories fast enough to meet the demands of the next economic upswing. Such basic industries as steel, chemicals, and paper are among the leading candidates for developing bottlenecks, and the list may grow. This scenario isn't going to unfold this year and probably not next, but after that the troubles could be serious. James Needham, chairman of the New York Stock Exchange, predicts that industry will fall $650 billion short of raising the money it needs in the next decade, an amount equal to more than three years of private spending for plant and other facilities at 1974 rates.

How did the United States, the world's richest nation, get itself into such a predicament? Part of the answer is long neglect. According to a Treasury study, between 1960 and 1973, the United States had the worst record of capital investment among the major industrialized nations of the free world, thus eroding its competitive edge in world markets. The U.S. investment rate, 17.5 percent, was 7.2 percentage points below the 24.7 percent average for the 11-country group.

Treasury Secretary William Simon calculates that in coming years we will have to devote three times as much money to capital investments as we have in the recent past. He insists it can be done, if only Congress will cut the federal deficit sharply as the recession winds down. That is a big if.

(4) INFLATION. The bottom of a recession may seem like an odd time to worry about inflation, but inflation has been—and remains—the most threatening economic, political, and social problem not only for the United States but also for the entire Western world. Unless checked, inflation eventually runs wild, wiping out the savings of individuals, increasing frictions among varied economic groups, distorting and then destroying the intricate prime mechanisms of the marketplace, and ultimately plunging the whole economy into a depression. Despite the downturn in the U.S. inflation rate, a substantial number of economists and businessmen are convinced that capacity shortages will combine with wage pressures and federal deficits to produce another burst of price increases by 1977 or 1978.

If so, the political pressures for a return to price-wage controls might become irresistible, even though recent experi-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ence shows plainly that they distort the workings of the economy and, over time, put a brake on economic expansion.

(5) LABOR. Unions exert a drag on economic growth indirectly and intermittently, when outsized pay increases fuel inflation. During the past three years, organized labor has proved unexpectedly restrained. But next year seems almost certain to bring a massive thrust for inflationary pay increases.

(6) TAXES. For years the whole U.S. tax structure has been inequitable, capricious, and economically damaging. Now there is a rising clamor among businessmen—supported by the Ford administration—for some fundamental changes. "The old 'soak-business' theory of taxation, the old politics of buying votes by attacking profits, has finally brought us to a point of crisis," says Chairman Reginald M. Jones of General Electric. "We've got to make the point over and over again that it is the public that pays taxes, pays all the costs of government, and it is *only* the public that pays the bill."

Executives have at least two valid arguments. First, the 48 percent tax rate on most corporate profits, more than three times the rate that prevailed before 1940, discriminates against corporate investors generally and small-equity investors in particular. An individual in the 20 percent income-tax bracket pays, in effect, a 48 percent tax on his share of the company's earnings and then an additional 20 percent on the portion actually paid out to him as a dividend. His total tax burden is 58.4 percent. An individual who is in the 70 percent income-tax bracket pays a combined total of 84.4 percent, the same 48 percent on the corporate earnings and an additional 70 percent on his dividend.

Second, inflation forces corporations and individuals alike to pay taxes on illusory profits when they sell things. Suppose that a man had bought a farm for $50,000 in 1935 and sold it for $150,000 last year. Apparently, he made a $100,000 capital gain. But $150,000 in 1974 dollars has less purchasing power than $50,000 had in 1935 dollars; so he has no real gain at all. Yet under present federal law, he must pay a capital-gains tax on a phony $100,000 of profit.

(7) REGULATION. The edicts pouring from Washington's maze of regulatory agencies represent another serious drag on the economy. The agencies were set up for good purposes usually to protect consumers, but their senseless or incompetent decisions suppress competition, stifle innovation, and perpetuate inefficiency—all of which helps to drive up prices. Last year it required more than 45,000 pages in the Federal Register to publish all the new rulings. It costs private business an estimated $18 billion a year to keep up with the paperwork demanded by the agencies, and it costs the government almost that much again to process it.

Federal regulatory agencies now control air, rail, and truck transportation, power generation, television, radio, and the securities markets. They have indirect suzerainty over much of the rest of the private economy, including important segments of our crucial energy supplies. The situation recently prompted Federal Energy Administration executive Frank Zarb to remark: "Let's not regulate the petroleum industry out of business as we did the railroads."

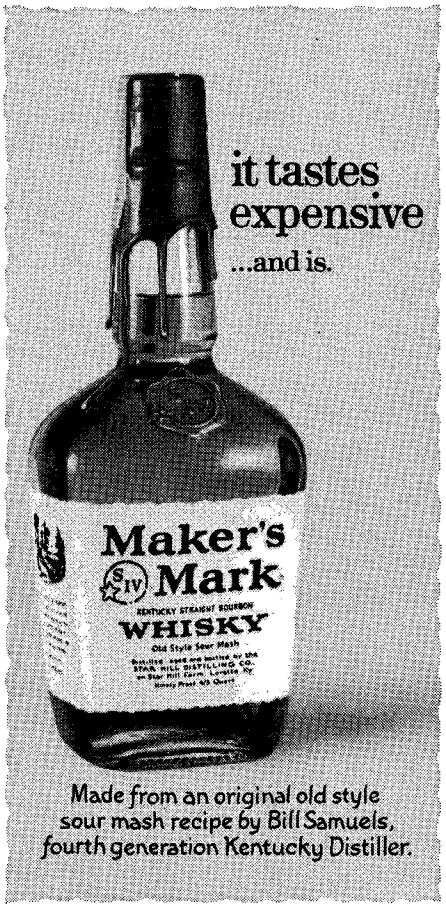
President Ford, who wants to loosen the suffocating grip of the regulatory bureaucracies, has asked Congress to start by curtailing the power of the hidebound Interstate Commerce Commission over rail-freight rates, while extending nearly $2 billion in loans to the railroad lines so that they can repair their disintegrating trackage. But the Democrats who control Congress have indicated that they would rather nationalize the railroads—and that is just what the nation doesn't need.

The Reactions

Taken together, these forces mean that the nation is moving into a volatile and unpredictable economic period, increasingly shaped by political decisions. Fortunately, corporations are accustomed to constant change. Their new strategies for prosperity are as varied as the products they make.

The most obvious adjustment is to purge money-losing operations, and many companies are doing just that. W. T. Grant and A&P are each shutting down hundreds of unprofitable retail outlets, for example. Conglomeration has plainly fallen into disfavor. A lot of companies are busy trying to unload unwanted divisions and subsidiaries that now strike them as misfits. In April Consolidated Foods Corporation, the Chicago conglomerate, took the unusual step of announcing that its wholly owned Fuller Brush Company and four furniture-makers were up for sale.

Lighter, smaller, and simpler products


it tastes expensive
...and is.
Maker's Mark
WHISKY
Made from an original old style sour mash recipe by Bill Samuels, fourth generation Kentucky Distiller.
Maker's Mark Distillery, Loretto, Ky.,
Ninety Proof-Fully Matured.

How to borrow money without borrowing trouble.

Borrow from your credit union. Their low annual percentage rate won't trouble your family budget. There's a minimum of red tape. Often your signature is all that's required. At your credit union, you're more than a customer. You belong.

Join your credit union. It's where you belong.

For more information write to your state's Credit Union League or Credit Union Nat. Assoc., Inc., Dept. F, P. O. Box 431, Madison, WI 53701.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are becoming more attractive to both consumers and company purchasing agents. Marketing experts find evidence of this trend in everything from compact housing and small cars to portable TV sets, multifunctional machine tools, and pocket calculators. To be sure, sometimes the buyer ends up with a stripped-down product that has lost as much in amenities as it has in price. Caught in the worst home-building slump since the Depression, Miami's Deltona Corporation downgraded its product line and brought out a one-bedroom, one-bath house, which sold for as little as $17,800 on a 7,500-square-foot lot. The minimodel is so tiny that it wouldn't meet the minimum standards to qualify for an FHA mortgage loan. But the customers loved the house, at 25 percent down and $108 a month. The company expects to sell 1,500 this year.

Chairman Lynn Townsend of Chrysler, the troubled number-three automaker, insists that he will trim his company to the point where it will be able to break even if U.S. auto sales drop as low as 6 million cars a year (excluding imports). This is about 20 percent below the industry's dismal 1974 performance.

Prudence will also mean fewer new products aimed at more precisely tar-

Challenging the Doomsayers

For decades the Advanced Management Program at the Harvard Business School has enrolled an impressive cross section of future leaders drawn from the domestic and international business community. Nominated by their employers and enrolled at corporate expense, these executives provide a unique forum from which to probe the future.

From this year's AMP class, six executives spoke with SR *editors about the likelihood of a no-growth America, from the viewpoint of their own business experience. The participants were John P. LaWare, senior vice-president, Chemical New York Corporation; Wallace O. Sellers, vice-president, Merrill Lynch, Pierce, Fenner & Smith, Inc.; Jay D. Wisner, general manufacturing manager, General Motors Corporation, Truck and Coach Division; Donald A. Moore, vice-president, Carnation Company; Edgar G. Burton, vice-president—corporate affairs and director, Simpsons, Ltd., Canada; and Lee Pitt, senior director, assistant to the general manager, Corporate Public Relations, Hughes Air Corporation.*

The Editors

John P. LaWare: No growth in terms of the whole economy doesn't necessarily mean a static condition for the various *elements* of the economy. I'm not sure I completely buy the idea that GNP in real terms is going to be relatively flat. But there are persuasive arguments in that direction.

And it seems to me that some other elements of the economy are going to have to be redirected. We're going to have to shift from prodigal types of production into more useful types of production, investment types of production. And it seems to me that we're going to have to redirect investment streams and concentrate on the development of goods and services that are more efficient and less wasteful of our resources.

Productivity will become more and more important, because if you can't increase profits by growth in sales, then you have to do so by the efficiency with which you operate the mechanism. And some industries may have to accept lower profit returns. But I don't necessarily think that no growth will create a management problem for every segment of the economy.

There may well be growth in the individual segments, even though the whole economy is at a relatively static level in real terms. Then, too, other elements of the economy may in fact employ people. I haven't given up the hope that new labor-intensive industries will emerge which can still either create a profit or at least create employment for people and contribute to the overall product.

Wallace O. Sellers: I don't accept the no-growth concept and especially not for the securities industry. Growth in conventional terms has certainly slowed down as we have become more of a service economy, but this slowdown is pretty much what one would expect. To the extent that we allocate real resources to such things as pollution-control facilities, improving the quality of life, and much higher raw-material prices, there will be a slowing of real growth.

If hopes are realized over the long term, the quality of our life will be improved and we will become less wasteful of raw materials. I can see that this will lead to a real capital-goods boom.

We do have an employment problem, and it may well be that as a nation we must adjust to a somewhat higher level of unemployment in the future than we have had in the past. But the most acute problem in America is going to be financing capital expenditures. For the generation of work and the reduction of unemployment, a major investment in plant and equipment is required. Depreciation and retained earnings have both been inadequate for supporting the investment necessary. If corporations cannot generate adequate capital internally, they must seek that capital externally—which would be a real boon for the securities industry. The most desirable solution would be an increase in the equity base of U.S. corporations and banks, but both have generally had difficulty in raising equity money recently because of the depressed level of their stock prices. This situation is one that must be corrected by higher earnings.

On the international level, I see a considerable increase in the transfer of funds between the Near East, where the capital is accumulating, and the United States and other countries, where the investments are needed. The demands for capital—including the abatement of pollution, protection of the environment, expanding the quality of life, and providing employment—will challenge the financial and banking community vigorously within the next decade.

Jay D. Wisner: Well, I really don't believe that we in the automotive industry are faced with a no-growth situation. We, and the economy generally, will continue to grow for some time. There's a great need for continued research and development, and because of the profit squeeze during the last few years on major industry, I think perhaps those areas have been neglected to a certain extent. A great need exists for generating sufficient profits in real terms so that these profits can be reinvested for the quality of life, for the quality of merchandise to which people are going to be attracted. Maybe growth will be somewhat slower than it has been in the last decade, but I would be a great proponent of a 3.5 or 4 percent

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

geted markets. Gillette Company, no doubt mindful of recent financial losses among U.S. makers of pocket calculators, has put off plans to introduce its British-made, hand-held calculator this year, even though test marketing had "exceeded expectations."

To minimize tying up capital in slow-moving items, retailers are turning to computer-linked cash registers equipped with scanners that feed back precise data on size, color, and style of every item sold. B. Altman, the Manhattan-based department-store chain, is spending upward of $3 million for one such system and hopes, after the installation pays for itself, to raise its profits by $3 million a year without any increase in sales.

Sometimes government restrictions interfere with the new corporate quest for efficiency. As oilmen tell it, gasoline retailing is a case in point. Misjudging the market, oil companies invested tens of millions of dollars during the early Sixties and built too many service stations. When the energy crisis combined with inflation to lift station operators' operating costs and shrink gasoline sales, many of them found themselves in the red. Enough have closed to cut the nation's total stations by 10 percent over the past five years, to about 200,000. Oilmen insist that efficiency and lower prices at the

---

increase, as far as our business is concerned.

We are, in fact, programming ourselves to spend more money in the next two or three years than we have at any other time in our history. This will make for a significant and dramatic change in the industry. Changes will occur in the size and purpose of the vehicles and, at the same time, an attempt will be made to respond to the marketplace—to the real needs that people have. An incongruity exists between what the people want and what the legislators want, but I really do think a compromise can be put together. So we will have some different forms of automobiles, and we'll have some changes in aerodynamics.

I really don't think there is any doubt that we can eventually achieve the 40-mile-per-gallon automobile if we are freed from the burden of unreasonable regulation. This would generate great confidence in the industry. The fears are: Do we have fuel to burn? Can we live the life that we've been accustomed to living and still have the same conveniences, even with less fuel? I think we can achieve this goal.

In addition, a number of developing countries in the world still need our products, particularly trucks and buses. Some areas have no transportation at all, and the most immediate way to solve that problem is to provide new automotive vehicles, not fixed rail vehicles. South America, Africa, and even China have need of our vehicles. Also, I think we definitely want to improve our public image. And we think that without severe restrictive legislation we will be able to do so, but we're concerned about what the legislators may do to the free flow of our business.

Donald A. Moore: The economic swings show up in grocery products a little faster than they do in other industries. In our company we not only fail to see a no-growth situation; we do not even anticipate *slow* growth. We expect to have a record year, based upon what has happened in the first two quarters. We're seeing inventories liquidated pretty well in our field, and sales are excellent.

The constant challenge is to reassess our whole line of products and to plan what we must do in order to maintain our past growth. The housewife is becoming more discriminating in her buying habits. Currently, the products that combine price and quality do very well, and the more expensive convenience foods do not do quite so well. This tough, buying housewife will force us to come out with products that meet her changing needs. Some of our products may fall by the wayside, but if proper research and development have been maintained, other products will come along to fill their places.

Edgar G. Burton: In Canada we have a somewhat high involvement of government in all affairs, and we are very close to being a welfare state. You might say we're often thankful we don't get all the government we pay for.

After having been here in America a while, I've pretty well concluded that the adversary nature of the relationship of business to government, and vice versa, is due for a change in this country. Then, a mutual understanding of the strength inherent in both business and government is probably going to develop.

I think it's quite possible for America to have a relative slowdown of its economy. Note that I say "relative," for, of course, the slowdown won't be *complete*; there will still be plenty of motion *within* the economy. You may see, for instance, a little more motion between cities in regard to your labor force, and cities may move to new industries at a faster rate. Maybe you'll have whole cities actually taking on new industries.

Still, I don't think that total no growth is a likely situation for either Canada or the United States for a considerable time. The great work during the next 50 years, I think, will be the development of hitherto-unused resources: the untouched resources of the North, for instance, go far beyond ores and gas and oil deposits. I think the development of the North by both Americans and Canadians will be as great a thing as the very discovery of America. I really do.

Lee Pitt: The airline industry today lives in something of a contradiction. One hears a cry for deregulation in an industry that is noted for its high degree of regulations. Whether on a national level or on the state or city level, we deal constantly with multiple governmental regulations. But this cry for deregulation is quite contrary to what George Lodge is seeking in his plea (see page 24) for stronger central planning. The era for deregulation implies benefits from increased competition and the action of a free market. This is intended to suggest lower prices and resulting consumer benefit.

As a matter of actual fact, however, there is grave doubt that in a deregulated or unregulated industry America can maintain its level of airline service, which in frequency, convenience, and safety is unmatched anywhere else in the world.

The airline industry has a very fragile structure—it becomes a national transport system through a delicate balance between profitable and unprofitable services and long- and short-haul schedules. Disturbance of this balance could well hurt the traveler.

I believe that the airline industry will continue to grow, although that growth will be tightly tied to trends in the economy. I also believe that its regulatory process is undergoing change and may well be substantially different in another decade. □

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pump would be served if many more stations were shut down, but Federal Energy Administration regulations force refiners to allocate supplies to every one of their 1972 customers.

"There's no earthly way we can cut a gas station operator off unless he wants to give up his franchise," grumbles Conoco's Sam Schwartz. "We ought to have a fairly major shrinkage of stations. But Congress has a fixation about preserving independent businessmen. It makes about as much sense as it would if Congress had prohibited large supermarkets so as to preserve little mom-and-pop grocery stores."

The Choices

A fateful array of choices confronts the nation—choices in which American business is part pawn, part protagonist. Decades ago the management of big U.S. companies shifted from entrepreneurs to hired executives. Today control over business is passing out of the hands of executives and into the hands of the myriad boards, agencies, commissions, and departments of the federal bureaucracy. This "second managerial revolution," as economist Murray Weidenbaum calls it, is a historic and portentous transfer of power. For it implies much more than the fact that we are moving toward a planned economy with Washington holding the financial reins. It involves our intellectual, social, and cultural life as well. Bureaucracy's power in all four realms has all but escaped the effective control of legislators and elected officials. And that power is the more dangerous because it lies half-hidden beneath the humane purposes that created it. Sociologist Robert A. Nisbet is quite right in labeling it "the new despotism."

Given the will and enough popular understanding, this state of affairs may not lead to an American corporate state, distinguishable from that of, say, the Soviet Union, mainly by its benevolent intent and its tolerance (at least initially) of dissent. But none of the necessary steps will be easy, for they will require the political courage to offend powerful interest groups. These steps do, however, provide a way of gradually resuming our advance in material well-being. President Ford is on the right track in wanting to lift the heavy burden of regulation from transportation and in wanting to get rid of price controls on domestic oil and natural gas, which can only perpetuate scarcity. Events have not yet repealed the historic axiom that no nation can remain a major power unless it controls its supply of both food and energy.

Government must stop spending more money than it is willing to raise by taxation (which is already too high by any standard). Our monstrous tax and welfare systems must be overhauled to provide more incentives to work, save, and invest, and fewer reasons for loafing, speculating, and consuming. And taxes must encourage, rather than confiscate, profits. Finally, our eighteenth-century system of government needs to be retuned to the tempo and complexities of the twentieth century. Government keeps responding to economic crisis with palliatives, not solutions, because real cures almost always involve some pain. The pain comes first and the payoff *after* the next election. A good answer is longer terms for congressmen and Presidents.

The way we are moving now, the private-enterprise system as we know it could well disappear in another 30 years. The problems are accumulating faster than the existing political-economic system can cope with them. As economist Irving Friedman has counseled, we ought to be fighting inflation and slow growth by increased production and greater efficiency, not by an acceptance

Getting a Fix on the Future

Economic forecasters have miscalled the swift turns in the volatile U.S. economy so often in recent years that the suspicion is taking root that something has gone amiss with orthodox theories about the way the economy actually operates. Some critics contend that the long-dominant views of John Maynard Keynes (see page 42), which called for manipulation of federal spending and taxes to manage total demand, have outlived their usefulness. Other critics are equally vehement in attacking the rival theory of economist Milton Friedman, who holds that evenhanded expansion of the nation's money supply is the key to avoiding both inflation and recession.

Searching for a fresh way to get a fix on the national future, economists at California's Bank of America have put together a new kind of index, tracking how inflation affects the ways that people handle their money. The first findings are half-reassuring and half-scary.

"We noticed that people's attitudes about inflation have changed measurably in the last two years," explains Walter Hoadley, executive vice-president and chief economist at the bank. "They are more fearful that inflation won't be controlled than they are about unemployment. And 9 percent unemployment shocks young graduates who were told by their professors that high unemployment would never happen again. But the conventional wisdom used to be that a jobless rate that big would bring riots in the streets. It hasn't happened.

"We looked around the world at the historical evidence, and we considered 18 ways that people handle money—consumer spending, saving, credit, mortgage debt, discretionary spending, essential spending, housing, transportation, investing, and so on. We weighed them, and we found that whenever the inflation rate reaches about 40 percent (50 percent, for sure) and stays there for a year, political, social, and financial institutions never fully recover from the blow. People get more concerned about protecting their hides than with producing or anything else. So we figure 40 percent inflation is the point of no return for an economy like ours."

That inflation rate became 100 on the bank's "catastrophe index." Plotting the available data, statisticians found that after World War II, the index hovered between 42 and 57. For years thereafter, the index stayed around 50. "At the start of 1973," says Hoadley, "the index took off. People began to do strange things, at odds with economic theory. They were borrowing but not paying their bills, investing defensively, and after they got clobbered in common stocks, they turned to gold." Last fall the index reached a record 66 points and stayed there through the first quarter of this year. "We think it may have crested in the second quarter," says Hoadley. Though the index may fall as the recession tapers off, he doesn't expect it to drop all the way back to the post-war average.

"We're still a long way from 100," sums up Hoadley, "but if the inflation rate picks up again, we'll be moving up from a higher platform." G.B.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of unemployment and lower living standards. But that would require more savings and more investment in productive capacity that creates jobs and wealth. The unhappy confluence of environmentalist, consumerist, anti-profit, and anti-business sentiment, along with the inordinate political power of organized labor, argues that we will opt instead for the stronger wine and madder music of high consumption and endless inflationary federal deficits.

An eloquent essayist named Walter M. Field, who is president of the Gavilan National Bank in the farm community of Gilroy, Calif., addressed himself to these topics in, of all things, his bank's last annual report to its shareholders. He wrote:

> One pressure group after another demands a bigger share of national or world production and special concessions of other kinds in the bargain. The successes of each encourage a whole new round; yet by dint of accompanying inflation, real income goes down and the quality of life deteriorates. A fresh crisis succeeds the last. . . . Our society can survive. There is still room to maneuver. The waste and the shame is that we are dissipating our capacity to no purpose.
>
> Neither this year, nor next, but finally, inflation will come to an end. Not in response to the tactics either used or contemplated, but as it has in other times and places, when the organism ceases to work. And it will terminate in chaos rather than accommodation. The system is malfunctioning at an accelerating tempo; so time is working against us. . . . If we want our way of life to continue, substantive changes must be made. So far, we look in vain for evidence of these changes.

I am inclined to think that the collapse of capitalism, if it comes, will occur by stages rather than in one cataclysmic stroke. The private-enterprise system of the early twentieth century is already about 60 percent gone. In the Middle Ages European societies accepted a straitjacket to bring order out of chaos. If the same choice must be made some decade soon, the outcome will be the same. What threatens to succeed our present way of life is a new feudalism, in which the emperor dispenses licenses to gouge the public to such organized pressure groups as business, labor, the professions, and assorted splinters of the intellectual elite. The fealty of these groups, of course, will be assured by the fact that the emperor controls the use of all land and is virtually the only source of capital. If all that sounds faintly familiar, it should. We are only a few Kafka-like steps away from the reality. □

Telling the Corporate Story

Calendar 1974, a year of crisis in the energy fields, was reflected in the entries and top vote-getters in *Saturday Review*'s Twenty-first Advertising Awards. The competition once more covered two areas: public-relations (corporate image) and public-interest (non-image) advertising.

Exxon was the near-unanimous winner in public relations. Now the largest corporation in the United States, having passed General Motors last year, Exxon had a serious public-relations problem in the midst of the oil crisis, and the company was the object of subsequent public outcry over shortage of petroleum and surplus of profits. Exxon devoted six spreads and three single-page ads to explaining both the difficulties it had in obtaining oil, especially under the Arab boycott, and the record profits it had made by the end of the year.

In the public-interest category, the Distilled Spirits Council of the United States was the unanimous choice for a sober series on alcoholism and other problems associated with drinking. Some headlines in the series were: "What's the best way to enjoy a drink? Slowly." "There's another limit you should know: your own." "It's all right to offer someone a drink. It's all wrong to insist."

Like Exxon, Texaco and Atlantic Richfield also felt that they had to explain their corporate positions; this they did well enough to earn Special Mention in *SR*'s competition.

General Electric also won Special Mention for such varied topics as how to check for breast cancer and the beauty of electric mass-transit. AT&T ran a series of instructional ads much in the style of other years and just as persuasive to the judges.

The Pharmaceutical Manufacturers Association also won Special Mention (they won the top prize last year for public-interest ads) with a series explaining why drug manufacturers need extra money for research and what they do with it.

RICHARD L. TOBIN

1975 Award Winners

Company	Agency
Distilled Spirits Council of the United States	Marsteller
Exxon Corporation	McCaffrey & McCall

Special Mention

American Telephone & Telegraph Company	N.W. Ayer & Son
Atlantic Richfield Company	Needham, Harper & Steers
General Electric Company	Batten, Barton, Durstine & Osborn
Pharmaceutical Manufacturers Association	Vansant Dugdale
Texaco	Benton & Bowles

1975 Awards Committee

Alfred Balk, editor and publisher of *Atlas World-Review*
Joseph Brouillard, vice-president, J. Walter Thompson
John Caples, vice-president, Batten, Barton, Durstine & Osborn
Robert Dilenschneider, vice-president, Hill & Knowlton
John M. Fisher, vice-president, Bozell & Jacobs
Jo Foxworth, columnist, *Advertising Age*
Joseph Kaselow, vice-president, Grey & Davis

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SR Books

The Last Polymath

Essays on John Maynard Keynes
Edited by Milo Keynes
Cambridge University Press, 297 pp., $16.50

Reviewed by Max Lerner

One of the strange flowerings of a little group that started as the "Apostles" at Kings College, Cambridge, and in time became Bloomsbury, was the work of John Maynard Keynes. That this particular seed should have produced this unlikely intellectual flower is another evidence of how peculiarly history manages its wonders. Keynes himself liked to say that there were no inevitabilities in history, only surprises. He was one of the surprises.

The Apostles was a self-assured band of the young, with Keynes, Lytton Strachey, and Duncan Grant as its nucleus. They were exasperatingly clever, deliberately decadent (they boasted of practicing "the higher sodomy"), unashamed of their exclusivity, and confident that they were better than the others and that they counted. Keynes was their natural leader, cocky from the start. "I've had a good look around the place," he said as a freshman, "and come to the conclusion that it's pretty inefficient." No wonder even Bertrand Russell, himself already a legend, stayed shy of him. "He made me feel a fool," he later said. D. H. Lawrence, when he came to know some of them, was sternly disapproving. The "black beetles" was what he called them.

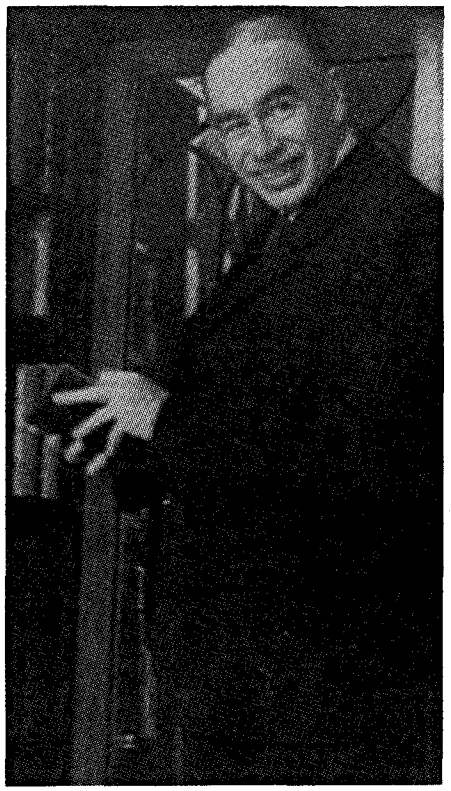
Lawrence had a good way of smelling out any atmosphere. The fact was—and none of his economist critics sensed it as Lawrence did—that Keynes, destined to become England's greatest economist of his century, came of an elite which itself expressed the economic weakness of England: the "gentleman's education," the contempt for technology, the snobbisms, the sharp sense of class and educational differences, the ironic detachment from the nation, the budding pacifism, the erosion of the work ethic. One of the contradictions of Keynes—who was all compact of contradictions—was that he was at home in this climate, yet spent much of his life in a tough-minded effort to understand, describe, dissect, and heal the economy of Britain and indeed of the Western world.

Strangely, with all the mass of stuff written about him, Keynes has had anything but adequate treatment. The massive biography by Roy Harrod contains a mountain of material but very few rippling streams of insight. There have been several good volumes of summary and criticism of his economics. But there has been no embracing overview, brief or lengthy, of one of the most protean minds of our time, no successful effort to pull his many facets together and see him whole.

The present volume, with its solid virtues and its great usefulness, does not fill this need. By its basic conception it couldn't. The subject's nephew, Milo Keynes, asked several dozen of the people who knew or had studied Keynes to set down how they saw him. That may be how a book is made, but it isn't how a man and a mind are best sized up. Keynes is cut up, like a huge pie, into 28 separate slices and served seriatim. Some of the slices are nourishing and a few tasty, notably Paul Levy on the Bloomsbury Group, Robert Skidelsky on the reception of the Keynesian revolution, Howard Elcock on the Paris Peace Conference, Charles Wilson on economic history, David Garnett on Keynes as biographer, and A.N.L. Munby on Keynes as book collector. There are a number of other essays with nuggets of remembrance and insight, provided you learn how to search them out. But the total effect is to make Keynes more segmented than ever, rather than more of a total mind and person.

Granted that the latter would be hard to do: Keynes was one of the last men who seemed to know everything and do everything. His interests and pursuits—mathematics, logic, philosophy, economics, statecraft, biography, international negotiations, investment, college administration, theater, ballet, book and picture collecting—are by now legendary. Everyone who writes about him pays obeisance to the bewildering number of hats he wore. A number of those hats are scrupulously examined and detailed in this volume.

Yet the total effect remains fragmented, a doubtful triumph of compartmentalizing. It would have been far more to the purpose to have chosen three or four writers, with greater or less personal knowledge of Keynes, and asked each of them to pick a vantage point from which to see the whole man. These glimpses would not have been segments of his activity but directions from which to view him—from a psychological perspective, from a sexual one, from the power aspects of political economy, from the stream of intellectual and social history that fashioned many of Keynes's views and has overtaken some of them.



From the book
John Maynard Keynes—A liberal who was skeptical of capitalism even as he tried to bolster it.

Keynes was a polymath who happened also to be an economist, probably because economics satisfied more aspects of himself than anything else. He represents the triumph of the English university system and the flowering of its intellectual aristocracy. He expressed the sensibility of his group and time, but in

Max Lerner, a syndicated columnist, is the author of The Portable Veblen *and* The Essential Works of John Stuart Mill.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

terms very much his own. No other economists of his day were part of the in-group of writers, artists, bohemians, and no other in-group intellectuals (not even Leonard Woolf) were economists. Keynes had carved out his own métier and context. He was the only one of his group who developed economic expertise. Hence he became an oracle. He had followers among the younger economists, for whom he was little short of a god. As he read them the proof sheets of whatever book or article he was writing, they had the heady sense of being in on history in the making. Yet they also felt left out of Keynes's own crowd, the "clever" ones, who were writers, painters, critics, philosophers, pacifists, hangers-on. It was part of Keynes's genius to bridge the two worlds.

On occasion after occasion Keynes expressed the conscience of his group and his time. But he also expressed their splits. His friends were pacifists of one degree or another, and mocked World War I. Keynes, after some anguish, decided to work in the Treasury during the war and went on to the Paris Peace Conference, where his voice was strong and persuasive for a time. But it was his resignation from the British delegation, and his scathing *Economic Consequences of the Peace,* that made him a famous figure and also resolved his split.

He was an amateur at party politics—in and out of the Liberal and Labor parties, even flirting a bit (as Harold Nicolson reports) with the economics of Oswald Mosley's "New Party," which later became fascist. But his professionalism lay with economics, not politics. Steeped in the history of economic thought, and with a bent for the inner workings of the City and the exchanges, he tried to find the point at which realism about economic statecraft could be formulated as a broad, innovative theory. Here he succeeded, and here was his triumph. There is, to my knowledge, no one else in the theory and practice of political economy in the England—and the America—of our century who better expresses the deep wisdom of Bergson's injunction to his fellow philosophers, to "think as men of action, to act as men of thought."

He had his all-too-brief golden years, in the late Thirties, when his *General Theory* was embraced, especially by the Harvard economists who were hungry for a statist who wasn't a Marxist, a theoretician who could write with wit and elegance, a liberal who was skeptical of capitalism even as he tried to bolster it. I remember how my economist colleagues at Williams College at the time were swept up by Keynes, and I swept up with them. Here was an Archimedean thinker who knew that the problem of employment was at the heart of modern capitalism, and who had found a place to stand where he could exert fiscal leverage to manage the economy and move the world. In the Forties he applied his knowledge to paying for another world war, and then—at Bretton Woods—to finding a scaffolding that could hold together the chaos of postwar international finance.

But much has also come apart in Keynes's own world of economic theory and practice. Despite some passages on inflation, Keynes was oriented toward the problems of how to apply counter-cyclical strategies to a deflation economy, with its problems of unemployment. From the Fifties until today we have had a mounting inflation and a heavy debt structure that has clung like an incubus. Keynes is suddenly a magus whose magic has stopped working. The Marxists, the classicals, and the monetarists all come up with an "I told you so." There is even a school of Keynesians that attacks the Keynesian "Establishment" for missing out on inflation, on the impact of the new banking institutions, on the false seductions of equilibrium theory, and on the blind logic of trade-union wage pressures.

Unfortunately, there is little in the book under review that expresses the perspective of these Keynesian rebels who use the master as a club to attack his older disciples with. Nor is there anything that explains with any persuasiveness how and why Keynes has fallen from his high place in these years of the locust. No one confronts the crucial question of whether the current skepticism about Keynes is a passing phase or whether it means he will never again be a shaker of our world. For myself, I have the sad feeling that while we cannot call this an anti-Keynesian era, it is a post-Keynesian one. If we are to make sense out of a world of depression, inflation, and cartel oil price piracy, it will have to be with concepts Keynes didn't live to shape, but with an audacity —if not a verbal felicity—equal to his. □

A stunning publishing event "Utterly exquisite.... captures an unprecedented kind of beauty.... the frozen jewels of insects in flight."*

BORNE ON THE WIND

The Extraordinary World of Insects in Flight

Text and Photographs by STEPHEN DALTON

Foreword by Howard Ensign Evans

64 pages of full color
8½" x 11" oversize format
$18.95 at booksellers

READER'S DIGEST PRESS
distibuted by E.P. Dutton

For the first time, the free flight of airborne insects captured with absolute clarity, "with all their irridescent appurtenances and wings glistening. (Dalton's book) reveals a fascinating array of information about his subject"* and explains his unique photographic method. Naturalists will marvel over these photographs and "photographers everywhere will drool over their perfection for years to come."*

**The Village Voice*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

From Chaos, Capital Gains

by Joseph Poindexter

Would you buy a book titled *How to Play Tennis on Dilapidated Tennis Courts*? Probably not—unless most of the courts in the world had suddenly developed erratic surfaces and poor playing conditions. That, of course, is pretty much what has happened in the world of investments. A swiftly devaluing dollar, foreign currencies in disarray, basic industries in retreat—economic conditions everywhere—have conspired to put the playing surfaces of the investment world in grotesque condition. And sure enough, there are now a lot of publishers that would like to sell you a book on handling the tricky new bounces of a dilapidated economic world.

So your bookstore's business shelf is bristling with dire warning—and calming advice. While the rescue party has arrived too late for many investors (an average share on the New York Stock Exchange shrank by 30 percent last year), these books are needed. When the rules change, reason would seem to dictate that someone step up not only to explain the new rules but also to dish out some new winning strategies.

For most of the Sixties, we really didn't need much help. A guns-and-butter economy kept the production lines humming, and almost everybody made money. Inevitably, exhilaration led to excess and excess to fantasy. By 1970 no amount of bookkeeping could hide the fact that a lot of magical growth was nothing more than sleight of hand. The bottom fell out of the market. And that, abetted by a worsening balance of trade, brought out the decade's first Cassandras, the gold bugs. Pick, Dines, Browne and Co. told us to trade in our currency for gold—or if you didn't have an account in, say, Zurich, gold-mining stocks. And they've been proved right. Gold stocks have tripled in price since 1970, while gold itself has gone from the official price of $35 an ounce to nearly five times that today. But while the 1970 market surprised a lot of investors, today's market dumbfounds them. So the current crop of strategists have a much more varied arsenal of corrective action.

There is a well-established format for the new investment books. First they give us the bad news, varying from the vague discomfort of devaluation and inflation to the sterner business of "hard times" to scary pronouncements of "money panic" and "monetary crisis" to the nuke word of the investment lexicon, "crash." Then they tell us how to make a good thing of it. What they are saying, in effect, is that, aside from general economic growth (or decline), investment is a zero-sum game. Losses on one side must become gains on the other. Since both sides of the court are equally pitted, those of us who learn to play the bounces will come out winning.

As noted, the new yield of investment advice is bulging with exotic alternatives to common stocks. The most glamorous of these continues to be gold, I suppose, and so it's not surprising that gold-bug James Dines is more or less out in front of the pack with his *The Invisible Crash* (Random House, $10.95). Unfortunately, it's pretty much a restatement of what Dines has been saying in the *Dines Newsletter* for the past dozen years. In fact, more than half the book is taken up with a reprint of 12 years of those very newsletters. Of course, Dines has, so far, earned his right to crow, and even if the world monetary system doesn't collapse on Dines's standard time, owning gold can't be the most speculative thing an investor could do with his money today.

There is also some new doom-and-gloom reading from Harry Browne. The man who scared the living dividends out of investors three years ago with *How You Can Profit From the Coming Devaluation* is back with *You Can Profit From a Monetary Crisis* (Macmillan, $8.95). Browne, who continues to be pessimistic about the thinly backed U.S. dollar, devotes a chapter to establishing a Swiss bank account (reason no. 1: "You'll have funds outside your own country, where they can't be confiscated by a government using totalitarian controls in an attempt to repair the damages of its own mistakes") and then flogs the horses he has ridden to his own affluence during the past five years—precious metals and foreign currencies. Browne, who fancies himself the people's economist, writes an engaging, persuasive text, and if you can get through his nerve-jangling description of the crisis, his book provides a lot of usable advice.

On the other hand, if you *enjoy* having your nerves jangled, try *The Second Great Crash* by Britishers Frances Cairncross and Hamish McRae (Prentice Hall, $5.95). The "crash" may not be imminent, they write. "But . . . then we have only gained a breathing-space. Either uncontrollable inflation and/or unfathomable slump will catch up with us later in the 1970s. That much is certain." Or pick up *Panics & Crashes and How You Can Make Money out of Them* by Harry D. Schultz (Arlington House, $7.95). Be warned, however, that the "how" of the title is relegated to a fleeting chapter at the end of the book. The rest is a grisly history of "panics" dating back to 1837.

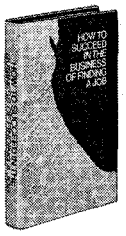
With a few exceptions, the remaining investing books on the business shelf discuss alternatives to common stocks—after all, if you can't trust Xerox, whom can you trust? Two books, *The Commodity Futures Game* by Richard J. Teweles, Charles V. Harlow, and Herbert L. Stone (McGraw-Hill, $16.95) and *The Professional Commodity Trader* by Stanley Kroll (Harper & Row, $10), cover pork bellies, soybeans, and platinum to a fare-thee-well—the former encyclopedically, the latter anecdotally. But if you have to read a book to discover the charms of commodities, you're better off investing in a slot machine in Reno.

Hugh C. Sherwood has produced a helpful volume on *How to Invest in Bonds* (Walker, $7.95), explaining why bonds are more speculative than generally assumed. *Options Trading* by Jarrott T. Miller (Regnery, $10.95) does a serviceable job on this new investment vehicle—widely available only since the April 1973 opening of the Chicago Board Options Exchange. But despite Miller's promise to show us how to minimize risks, options remain one of the wildest

Joseph Poindexter is editor of The MBA *magazine.*

How to Succeed in the Business of Finding a Job

PHOEBE TAYLOR



Whether you're a beginner or a professional looking for a new or better job, application of the author's techniques and strategies will work for you as they have for thousands of her clients. Two new tools—the Selectascope and the Perceptual Résumé—can be crucial to your success. $7.95

AT YOUR BOOKSELLER

nh Nelson-Hall Publishers
325 W. Jackson, Chicago, Ill. 60606

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plays of all—like riding a roller coaster on stilts—and are not for the timid.

Three more books take a cafeteria approach to the investment scene. *A Layman's Guide to Investment Alternatives* by Edgar T. Lindner with Richard S. Isaacs (Chronicle Books, $6.95), *The Speculator's Handbook* by David Smyth and Laurence Stuntz (Regnery, $12.95), and *Smart Money in Hard Times* by Ronald L. Soble (McGraw-Hill, $8.95) cover a steam table of non-common stock investments ranging from Scotch to diamonds to rare coins. But the reader who invests in these books will find himself in the same predicament as the vacationer perusing brochures of Caribbean resorts: since all the possibilities look equally glamorous, the reader has to look elsewhere to decide where to spend his money. Significantly, the latter two books were written by journalists, who, as everybody knows, are trained to observe, not to think.

Sylvia Porter's *Money Book* (Doubleday, $12.50), an encyclopedic compendium of financial counseling from years of syndicated columns, devotes more than 200 pages to investing. Despite the *Ladies Home Journal* level of the writing ("What Are Dividends?"), Ms. Porter's investment advice is confusing and somewhat dated. She tells readers to shun companies that pay dividends but then makes a pitch for blue chips; they all pay dividends. She also notes art-investment funds, but the only one to offer shares to the public went bankrupt about four years ago.

Finally, there are those few sages who have decided that you don't have to abandon the stock market after all. Sidney Ruthberg offers a lot of advice in *The Money Balloon—Inflation and How to Live With It* (Simon & Schuster, $7.95), nearly all of it negative: "Don't buy on inside information." "Don't rely too heavily on your broker." "Don't invest in the stock market if you can't afford to lose." "Buy growth stocks if you like, but don't kid yourself. The company will not grow forever." Ruthberg will probably persuade a few readers to think before they plunge—and that's worth at least the price of the book.

Phillip A. Fisher tells us that *Conservative Investors Sleep Well* (Harper & Row, $7.95). That is, if they ever get to sleep at all. Fisher's notion of how to pick a stock is to read all the available literature on a candidate; interview its customers, competitors, and former employees, and attend trade shows; and then interrogate the officers of the target company. You might want Mr. Fisher to manage your money—that's what he does for a living—but then you wouldn't have to read his book, would you?

The man I'd like managing my money, however, is John Train. That is not to say that I am sold on his particular brand of investing (anyone who has read a dozen books on investing is likely to come out of it with nothing more than a dizzy agnosticism), but an occasional chat with him would be worth the management fee. There is no one writing about today's market with so beguiling—or efficient—a way of making a point.

For instance, a lot of what Train has to say in *The Dance of the Money Bees* (Harper & Row, $8.95) is contained in an anecdote about the "horse races" conducted aboard a certain Cunard liner. The seven wooden horses in this race were advanced in turn by throws of the dice until one of them completed the track and paid off its backers. Pre-race wagering was done at seven positions along a long table where the passengers would queue up to bet their favorite numbers. Train noticed that certain numbers were especially popular, while the winner of the previous race was generally shunned. Statistically, of course, the odds on every horse were equal. So Train watched the lines form and then simply joined the shortest line, assuring himself of sharing possible winnings with the fewest fellow bettors. He has been investing against the grain ever since.

Given a choice among many alternatives, Train may very well advise doing nothing. "The average investor makes less money with his brain than what in chess is called his *Sitzfleisch*," he writes. And he equates the chartist (the technician who tracks patterns in stock prices) with a "student who instead of actually studying for an exam spent the time trying to work out a formula to anticipate the order in which the right answers to the multiple-choice questions occurred." Further on he observes: "The day the computer will relieve the analyst of the need for shoe leather . . . will be the day the birds become willing to fly up the barrel of your gun."

The last word on the whole situation may come from *The Beat Inflation Strategy* by Roger Klein and William Wolman (Simon & Schuster, scheduled for publication in September). Klein and Wolman have got the investing game down to a formula, which is what I was looking for all along. Their strategy is predicated on the fact that inflation accelerates and decelerates along a long-term trend line. In other words, a long-term 6.5 percent inflation is actually made up of periods of, say, 10 percent inflation averaged with periods of 4 percent inflation. Grossly simplified, their formula states that as the inflation rate peaks on the high side of the trend line, investors should put their portfolios into stocks and bonds. They should ride these securities while inflation noses down past the trend line. Then, as it begins to pick up speed again, they should switch investments into commodities, hang on while inflation peaks a second time, and start the cycle all over again.

Why this works and how one can predict the turns in the inflation cycle is something only two Ph.D. economists would know, but they write like writers and it all sounds perfectly plausible. "Over the next decade everyone should emulate Dr. Strangelove: stop worrying and learn to love inflation," Klein and Wolman advise. If their formula works, we'll learn to love their book, too. □

HELENA PETROVNA
BLAVATSKY
the first biography

H. P. Blavatsky (1831-91) was a liberated woman far ahead of her time. A daring world traveler, linguist, scholar, formidable intellectual, an explorer or occultism and ESP phenomena. She was, says Joy Mills, "the Sphinx of the 19th century"—an indelible influence on modern thought. The Russian girl who rode half-broken horses became perhaps the most controversial woman of her day. 312pp, illustrated. Cloth $8.95. Softbound $3.50.

When Daylight Comes
HOWARD MURPHET

A NEW QUEST BOOK. At bookstores or promptly postpaid from Quest Books Dept. SR, 306 West Geneva Rd., Wheaton, IL 60187

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Trade Winds

by William Cole

Walt, Ted, and Dick

It's only in recent years poets have been going in for name shortening (well, there *was* Walt Whitman). I'm thinking of Ted Hughes, Ted Berrigan, and poets who flaunt such first names as Bill, Ron, and even Al. Which brings me to the second book by Dick Allen, *Regions With No Proper Names* (St. Martin's, July 16, $5.95). As you might expect, he's a pretty informal poet who writes a kind of rompish science fiction, with much eroticism. But none of that in "The Coming of the First Aeroplanes":

The coming of the first aeroplanes
out across America
obsesses me,
as other men are obsessed
by the President's face,
bi-sexual wives,
and I think *throttle stick, loop,*
barnstorm, goggles, dive,
shade my eyes
and all the doors
of all the houses open, and upon the small
lawns of 1920 people stand
praising God.
Satellites, the Venus probe, rim world,
teleport, dwarf stars, the luxon wall,
quasars, planetfall. I am
the first pilot from Boston.
Seeing a boy in a field,
I wave from the cockpit,
dip low my wings.
Aeroplanes.
They called them
crosses in the sky.

The Lost Leader

The Uncrowned Queen of Ireland: The Life of "Kitty" O'Shea by Joyce Marlow (Saturday Review Press/Dutton, July 14, $13.95) is really a dual biography of that lady and her lover, Charles Stewart Parnell. Surely it's the greatest love story ever told. Here's the Irish political leader, an iron-willed, handsome, austere bachelor in his mid-30s, who falls in love with a married woman with three children and lives with her more or less clandestinely for 10 years, while her ne'er-do-well husband looks the other way—for certain considerations. Then the scandal erupts, the "Uncrowned King of Ireland" is deposed, marries Kitty, and dies a year later, his last words being "Kiss me, sweet wifie, and I will try to sleep a little." The author does a fine job—dispassionate, wry, clear—and it must have been difficult not to have been carried away with the romantic story. For example, the first day Parnell and Kitty met, she dropped, and he picked up, a white rose. Thereafter he wore a white rose and simply *knew* when she would arrive in the visitor's gallery of Parliament, whereupon he "would immediately acknowledge her often unseen presence by lifting his head toward her and touching the white rose in his buttonhole."

The Real Macabre

Ian McEwan is a young Londoner whose short stories will chill your blood, make you laugh, and even make you pause for reflection. His first collection, *First Love, Last Rites* (Random House, July 28, $6.95), is pretty raw stuff, what with degenerates and cripples, rats clawing behind the woodwork, and strange happenings at the rehearsal of a nude review. Here's how he describes a rat: "We had time to see how powerful and fat and fast it was, how its whole body quivered, how its tail slid behind it like an attendant parasite."

Miscellany

No room for full reports on these, but they're worth pursuing: *Hollywood and LeVine* by Andrew Bergman (Holt, Rinehart and Winston, $6.95). Funny, raunchy detective story by the man we've been waiting for: the proper successor to Raymond Chandler. "I shook Milton Wohl's small, damp hand—imagine squeezing a pork kidney. . . ." *A Wake for the Living: A Family Chronicle* by Andrew Lytle (Crown, July 4, $8.95). Southern anecdotes and ancestors, beautifully written. Mostly Tennessee:

Fox hunters in Tennessee didn't ride after the hounds in red coats and buff breeches then. They listened to the music, the beautiful tones of the dogs' mouths and could tell at a distance who was leading the race. This play sharpened the ear as well as the imagination. Mr. Tom Bagley told me that John Sharp Williams from Mississippi just puppied his way into Congress. Going to the hustings he would ask farmer after farmer: "When's Old Belle going to have pups? Be shore and save me one."

Separate Flights by Andre Dubus (David R. Godine, June 19, $8.95). A novella and short stories, mostly New England, mostly on that most important subject, the relationships between men and women:

In a marriage there are all sorts of lies whose malignancy slowly kills everything, and that day I was running the gamut from the outright lie of adultery to the careful selectivity which comes when there are things that two people can no longer talk about. It is hard to say which kills faster but I would guess selectivity, because it is a surrender: you avoid touching wounds and therefore avoid touching the heart.

A peculiar book by a peculiar man: *The Ackerley Letters* (Harcourt Brace Jovanovich, June 2, $15). J. R. Ackerley was for many years the literary editor of *The Listener*, the BBC magazine. He was a homosexual and, what's more, was madly in love with his dog—and I mean in *love!* Here's a nice bit:

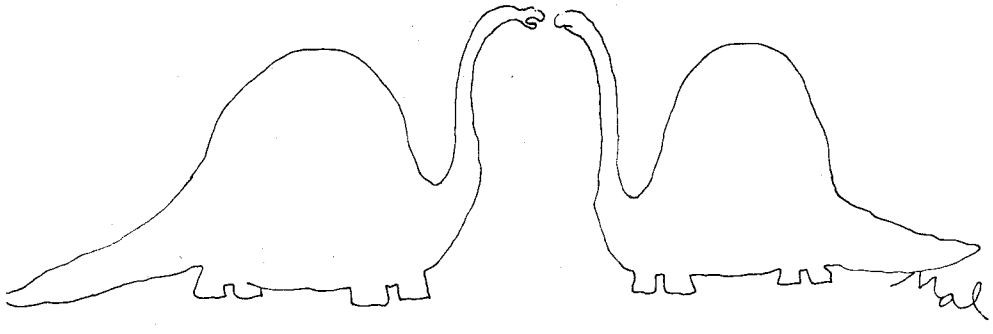
Beware the adverb "very"; more often than not it is an idle, layabout, parasitic little beast, who does no work at all; it creeps into my own writing and when I find it dozing there I always turf it out. Is a good man any worse than a very good man, or a bad man better than a very bad man? □

FRASER YOUNG
LITERARY CRYPT NO. 37

A cryptogram is writing in cipher. Every letter is part of a code that remains constant throughout the puzzle. *Answer on page 61.*

EH LAOXWH ZB LX ORKXH PZQO, IVL LAO GWDTLZTO ZB DUDZRBL ZL.

—TADWPOB PDEI



"The way you act you'd think I was already extinct."

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

artsletter

Prepared in cooperation with the National Society of Literature and the Arts.

NEW TAX PROPOSAL FOR ARTS DONATIONS. In intent the 1969 Tax Reform Act was clear enough: to prevent politicians from claiming deductions on donations of their public papers (vide the IRS versus Richard M. Nixon). In effect, the law has also impeded valuable donations of manuscripts, paintings, and other works by their creators. For example, Vladimir Nabokov, who had been donating his manuscripts and correspondence to the Library of Congress since 1958, curtailed his gifts after the passage of the 1969 act. Archibald MacLeish's papers are now sent to the Library of Congress "on deposit," not as a gift. And composers Aaron Copland and Samuel Barber are no longer donating their manuscript scores.

It is ironical that the institution most damaged has been the Congress's own library, but it is by no means alone. Harvard, for example, has lost out on several expected donations and indeed was obliged to purchase the papers of Robert Lowell. Museums, too, have been affected by the 1969 Tax Reform Act. In the three years before the act was passed, New York's Museum of Modern Art received 321 works donated by their creators. In the three years following the legislation, the figure dropped to 28 works.

Obviously, the act has been counterproductive in the cultural arena. Now, noting that artists have been indiscriminately caught "in the broad sweep of the reform act," Sen. Jacob Javits has introduced legislation (S 1435) that would authorize a 75 percent deduction of the market value of each artwork donated by its creator. Javits estimates that the proposed deductions would result in a loss to the Treasury of less than $10 million a year. He says it's a small price to pay in order to start the donations flowing again. A companion bill to Javits's has been offered to the House (HR 6057) by Rep. John Brademus. Both bills are presently mired in the congressional machinery and are a long way from a vote, much less implementation.

BIOPIC BONANZA. European TV production companies are on a cultural jag this year, investing heavily in the dramatized life stories of composers, painters, and writers--a type of program known in the trade as the biopic. British director Ken Russell is embarking on a series of six specials devoted to Berlioz, Gershwin, Liszt, Rossini, Schumann, and Vaughan Williams. Liliana Cavani (of Night Porter notoriety) is to do a five-episode "Life of Mozart," and other Italian directors have been signed up for "Verdi" (in seven episodes) and "Paganini" (in four). Video biographies of Shakespeare, Dostoevski, and Michelangelo are also in the works. All are co-productions, sponsored by two or more European networks, and most will eventually turn up on American TV schedules.

REQUIEM FOR BRITISH THEATER? Americans who visit London for its theatrical attractions may soon find the pickings a good deal slimmer. Rising costs have already darkened several West End theaters. A recent decision by the government to retain VAT (an 8 percent sales tax) on tickets may close even more. "Any theater that goes dark," warns the Economist, "may be lost permanently."

London's commercial theaters, which do not receive government subsidy, are hardest hit. Producers are raising ticket prices and putting on fewer and simpler shows. Serious plays by unknown authors and those requiring elaborate sets have very little chance of finding a backer. The subsidized companies--National Theater, Royal Shakespeare, and Royal Court--are also in trouble. At a time of 20 percent annual inflation, their allowances, totaling $11 million in 1973-74, just aren't stretching far enough. The National Theater may not be able to afford

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the move into its almost-completed new house on the South Bank next year, and the Royal Shakespeare Company may have to abandon its theater in London (the Aldwych).

These dire predictions may yet convince the government to give both commercial and subsidized theaters some financial help. London's theaters are an important component of the British tourist industry. If they go, an important source of foreign earnings will be lost. It is estimated that about half of London's theater audiences from May to October come from abroad. To help overseas visitors obtain good seats in advance, London's largest ticket agency--Keith Prowse--has set up booking facilities in six foreign countries, including the United States.

CULTURE VOUCHERS. In an effort to bring, rather than simply offer, museum services to the community, New York's Museums Collaborative, Inc., is launching a three-year project to pair cultural institutions with community groups. Funded partially by a grant from the federal Department of Health, Education, and Welfare and by private foundation money, the program provides 10 non-profit community organizations--ethnic societies, senior-citizens' centers, and so on--with vouchers in block amounts up to $8,000. Project administrators are compiling a directory of available exhibitions, films, and services at the seven participating MCI museums, as well as those museum employees willing to share their expertise. Each directory entry is matched with a "price." Community organizations are also invited to join with museums to tailor new services to meet the specific needs of their members.

The Cultural Voucher Program grew out of a number of small, experimental projects that MCI has been conducting in the hope of broadening museum audiences. Incorporated five years ago, the cultural institutions that make up MCI originally intended to cut costs and increase services by helping one another; today, the 61-member botanical gardens, zoos, and museums collaborate as much with the community as they do with each other--and have found that schoolchildren, teachers, and other community members can come up with ideas for exhibitions and ways to economize that are as expertly conceived as those suggested by neighboring N.Y. museums.

MANHATTAN OPERA HOUSE REDIVIVUS? Oscar Hammerstein's Manhattan Opera House, which opened in 1906 and closed in the Thirties, will get a new lease on life if American Ballet Theatre can raise the requisite $10 million to purchase the property and restore it. The former opera house on West Thirty-fourth Street, now called Manhattan Center, was turned into a complex of meeting rooms some 30 years ago, but much of the original structure--including the three balconies--is intact. American Ballet Theatre intends to use the refurbished hall as its home base but will make it available to other ballet troupes, opera companies, and other groups when ABT is on tour. The need for an additional theater of opera-house dimensions in New York has long been recognized. Several years ago the Sol Hurok organization considered restoring the Manhattan Opera House as a showcase for its imported attractions.

FESTIVAL OF BLACK ARTS. For this year's Festival of Black Arts, which will open in Lagos on November 22, the Nigerian government is building a National Theater large enough to accommodate an audience of 5,000. The complex will also include two smaller theaters, two exhibition halls, a large restaurant, and facilities for reporters, broadcasters, and translators. Some Nigerians have criticized the $35 million project as a waste of money in a country where the average per-capita income is only about $200 a year, and Guinea's President Ahmed Sekou Touré has said that he will boycott the festival.

ARTSLETTER is prepared in cooperation with the National Society of Literature and the Arts, 488 Madison Ave., New York, N.Y. 10022.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SR The Arts

The Met Opera in Japan

by Irving Kolodin

Tokyo may not be Japan any more than New York is the United States, but one thing seems certain after the opening performances of the historic first visit of the Metropolitan Opera company to the Orient. Before the tour is completed, its members are likely to learn as much about themselves as the Japanese have about the art the company represents. That is the consequence of encountering audiences completely candid in their opinions, surprisingly well versed in the works of Verdi, Bizet, and Puccini, to which they have been exposed, and not at all reticent about singling out for approval the things and people that arouse natural, spontaneous reactions.

All the audiences have been prevailingly youthful, avid for new experiences, and passionately attached to what would, to the first-time visitor, seem an art form wildly remote from its basic tastes and orientation. But orientation, in this new Orient, comes from many sources and in many guises. Aside from the electronic indoctrination that abounds on all sides, Japan has previously profited from the flying carpet called the jet, which has enabled it to sample operatic ensembles from Berlin, Paris, Moscow, and Munich, as well as a composite group from Italy.

None of these may have offered so great a concentration of international celebrities as the Met's—Joan Sutherland, Marilyn Horne, Dorothy Kirsten, Adriana Maliponte, and Mary Costa among the female principals; or Luciano Pavarotti, Franco Corelli, James McCracken, Robert Merrill, Cornell MacNeill, John Alexander, and Justino Diaz among the men. Nor have any predecessors offered repertory in Italian and French. But they have certainly prepared local enthusiasts to listen carefully and single out the results most in consonance with their expectations.

My seat location (see ticket below) was identified as 2 fl.,C 6, no. 26, which meant the sixth row in a mezzanine set back some 40 rows from the footlights. There were, in this hall seating nearly 4,000, some patches of empty seats at the extremities of a very wide auditorium, including some unoccupied, for the opening performance of Verdi's *La Traviata,* with Joan Sutherland as Violetta. A detail on the ticket

reading Y16,000 translates into $52 per seat—and there were few cheaper than this, except on the third level (also not sold out). Not that even these stiff prices represented anything like profit: moving, housing, and sustaining the stars and their "support troops" from the United States for close to three weeks ran up a tab of $2.5 million. The contributing consortium of underwriters, for the visits to Nagoya and Osaka, as well as to Tokyo, was headed by CNH (Chubu Nippon Hosa), a prominent Japanese radio-TV network celebrating its silver anniversary with this lavish outlay of gold.

Despite the distance to the stage, seat no. 26 in the sixth row of the mezzanine offered a remarkably acute auditory image of what was going on in the distance. This was directly attributable to the surpassingly fine sound in the brand-new auditorium (it was opened in 1968), which is immediately adjacent to a pair of striking structures created for the Olympic games of the same year. As these bold architectural innovations (one houses a mammoth swimming pool; the other, a spacious gymnasium) reflect great credit on the engineering imagination of Kenzo Tonge, so the NHL hall speaks eloquently for the team of Japanese acousticians that brought about the splendid results.

According to a Japanese well indoctrinated in the planning, the results were in large part achieved by computer technology. Measurements and materials have been combined to produce an all-purpose hall of such size (basically, a huge broadcasting studio) that, at the remote reaches of the top gallery, the Met orchestra's playing of the prelude to act 4 of *La Traviata* sounded like a string quartet; when this happens, the results have to be dead on target. Perhaps the planners for the forthcoming (third) try at making a suitable auditorium out of the discredited space within Avery Fisher Hall in Lincoln Center should, before stamping the new scheme "approved," order a computer used by the Japanese. (More likely than not, it was an IBM anyway.)

THE MENTION OF EMPTY SEATS for the first appearance in Toyko of Miss Sutherland as Violetta may suggest a degree of ignorance among the opera-loving Japanese. In truth, the ignorance was total, and this seemingly harsh statement should be amended to make plain the local mores of operatic presentation. Tickets are sold on the basis of the work to be presented, not on who is to appear in it (from the roster of performers available). Whether it will be Miss Sutherland, Miss Maliponte, or even Miss Costa as Violetta is unknown until the doors are opened and the

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

posters announcing the evening's cast can be consulted. Then the ticket-buyer takes the 300 pages of composite souvenir brochures (for which he has paid Y2,000, or eight dollars) and checks off the names of those he is going to hear. Though the price is sizable, the brochure containing libretti of *La Traviata, La Bohème,* and *Carmen* in Japanese translations of the original could hardly be duplicated anywhere, at any price.

Miss Sutherland's Violetta was typically well sung, in the restrained, cool manner for which she is globally celebrated, and with the statuesque, rather than endearing, presence for which she is equally renowned. It was received by the audience in a manner that could be described as respectful rather than enthusiastic. The latter kind of enthusiasm went, properly, to the effort of Robert Merrill as Germont Sr. Now verging on the thirtieth anniversary of his operatic debut in the late Forties, this staunch exponent of baritonal *bel canto* continues not only to amaze but also to satisfy with a level of achievement now as rich in artistic insight as it is in tonal output. On the other hand, the equally artistic if tonally less suave Alfredo of John Alexander prompted a scattering of boos amid the applause. Apparently, the famed Japanese politeness stops at the point where congenital bred-in-the-bone cordiality becomes corrupted by exposure to the artistic Mafia that makes up the international blood-brotherhood of opera buffs.

If there were among the booers some who had another bundle of yen to admit them to the following evenings's performance of *La Bohème,* they would have heard all the suavity, as well as all the abundant artistry, they could ask from a human throat in the Rodolfo of Luciano Pavarotti. This huge, bearlike man has not been at his best in recent New York appearances. But in the Tokyo-Metropolitan *Bohèmes,* he has been not only in splendid vocal form but also possessed of the impulse to make his esteem and affection for Mimi something more than a way of killing time between solo opportunities. It was honest, sincere, and, above all, a refutation of the too-common contention that Rodolfo's interest in Mimi has to do more with the bed than with the head, and least of all with the heart. The recipient of these attentions was Dorothy Kirsten, whose Mimi has now become a classic study in control and conviction, in the tradition of Bori, Sayão, Albanese, and other such complete Mimis. Despite Kirsten's celebrity, the Japanese picked out for their special favorite the visually vivacious, vocally fastidious Musetta of Mary Costa, whose blonde beauty clearly had a particular appeal for the audience. This was, without doubt, a matter of opposites attracting, for a special memory of the audiences in the KNH hall is the vista from the back of the auditorium: row upon row of black shapes, with each male head cropped in such close conformity to another that all might have been wearing skullcaps.

WHATEVER THE AUDIENCES might have learned from the performers, there was much the visitors could learn from the customs and people they encountered. One was the habit of starting evening performances as early as 6 P.M. (and matinees at noon), because mass transportation closes down at midnight. Another was the presence of digital signs on both sides of the auditorium, which were illuminated at the end of an act and announced exactly when the next would begin. Also, exit lights are exhibited in green, not in red.

If this was a keen reminder of the exotic, chaotic, sometimes quixotic, customs of the East, it was also a reminder that order is more important than the form it takes. I am also reminded that it was a writer in an English-language newspaper who saluted the Metropolitan for a "smash opening" and a Japanese commentator who described it, conversationally, as a "conservative, conventional, middle-of-the-road" presentation. I need not mention which of the two was more accurate. . . . Or which one held up the more accurate mirror to the happening. □

WIT TWISTER NO. 50
Edited by Arthur Swan

The object of the game is to complete the poem by thinking of one word whose letters, when rearranged, will yield the appropriate word for each series of blanks. Each dash within a blank corresponds to a letter of the word. Answers on page 61.

The miser ___ ___ ___ ___ the beggars
as he goes—

In place of ___ ___ ___ ___ dispensing
heavy blows.

But those who ___ ___ ___ ___ their
gates against Man's need

Themselves become the captives of
their greed.

A. S.

Seeing Things

Fish Story

It all started with a one-page outline by Peter Benchley and an advance of $1,000 from a book publisher. The idea had to do with a Great White Shark terrorizing a Long Island community. The idea grew into a book called *Jaws,* which became a huge best-seller, and now there is a motion picture of the same title. A perfect operation, an exemplary working out of a process that calls upon the resources of a writer, agent, editors, hardcover and paperback houses, and a motion-picture company, and is not completed until shown to 60 or 70 million viewers on television. Many such are calculated, but few work so well. The goal is the jackpot. *Jaws* has hit the jackpot with the striking force of a huge shark attacking its prey.

With such cold-eyed calculation behind it, can we expect the film to be any good? Certainly *Jaws* is not *Moby Dick.* But it is a consummately well-made adventure-suspense story, containing moments of horror and terror, a tale of man against monster and monster against man, larger than life, and yet not wholly impossible. The producers, David Brown and Richard Zanuck, who have demonstrated an almost uncanny knack for fashioning huge hits (*The Sound of Music, Butch Cassidy and the Sundance Kid, M*A*S*H,* and *The Sting,* among others), gave the job of directing *Jaws* to Steven Spielberg, 26 when he began and now 27, a former film student spotted early on by Sidney Sheinberg, the president of Universal Studios. Spielberg proceeded to demonstrate his talent through some television assignments, a notable "movie of the week" called *Duel,* and, recently, a feature, *The Sugarland Express.* The system, such as it is, appears to be working. The craftsmanship in *Jaws* is stunning.

Enough publicity emanated during the course of production for us to know that Martha's Vineyard was substituted for Long Island as the base of operations, that a monstrous mechanical, electronically controlled shark was used in place of the real thing for some of the scenes, but such facts in no way detract from the effects achieved by the film. It's a five-scream picture—there are at least

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by Hollis Alpert

that many moments when the audience is so caught up in what is happening that it must let loose vocally. We're being cannily manipulated, of course. The shocks are fully intended, and like them or not, approve or disapprove, they are what is going to bring people by the millions into theaters around the world.

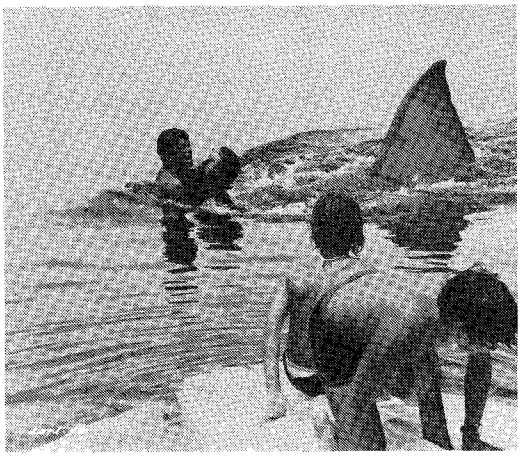
There has been a change in the way film effects are used. In the past, they were largely used to create fantasy, wildly impossible imaginings. Lately, the effort has been to make as real as possible what *is* possible. Stanley Kubrick broke it open in *2001: A Space Odyssey*; he found the means to simulate on the screen the quite possible realities of future space flight. Since then the art of special effects has concentrated upon obtaining audience conviction. The characterizations in *Earthquake* and *The Towering Inferno* may be mundane, but their effects are based on baleful possibility. Los Angeles and other West Coast cities are indeed menaced by earth fissures. A huge office building can turn into a deadly fire trap. The breath is held. It *could* happen. And people leave their color TVs and line up at the cinemas.

The lore about sharks is extensive. We know they have eaten people; we have heard of their longevity, their almost perfect adaptation to their environment, their enormous strength, their almost total lack of what passes (in fish) for intelligence. They are the embodiment of the ancient, the primitive, the beginnings. They were probably cruising the seas when Martha's Vineyard was still buried under ice. They make for marvelous and believable monsters. Anyone who sees *Jaws* is probably going to be careful about where he swims from now on. A young ichthyologist (Richard Dreyfuss) in the film describes the rogue shark feeding off a Long Island town as "a perfect eating machine." That's what the town is up against, although it doesn't realize it for a while.

The mayor is concerned about the tourist trade—the beaches are the prime attraction—so it takes a while before forces are mobilized to combat the menace. A few people have to be attacked and eaten first. Make your own judgment about whether small children should see the film. The rating is PG, which in this case means no sex but some violence. But taken as a tale of suspense with horrific elements, with the left side of the brain reassuring us that it is fiction after all, it makes for an enthralling film experience.

The last half of the film is devoted to the hunt for the shark by the three main characters: the aforementioned cheerful, knowledgeable ichthyologist, the town's police chief (Roy Scheider), and a grizzled fishing-boat captain (Robert Shaw). It's what happens on and around that boat that provides most of the excitement. So that the action would be convincing, some consummate special effects were necessary. Sheerly as film spectacle, they are gruesomely marvelous. When those jaws rise out of the water for the first time, the whole theater shrieks. Chalk up round one for Spielberg. More happens, much more. It's only afterward that we wonder how it was done, and we begin to figure it out. That's the way effects should be.

Does the film have any real meaning, other than a warning about where to swim? Probably not much. It's a tale designed to thrill, and this is what it does. The acting is good; in the case of Shaw, more than that—superb. In the end, it amounts to a fish story, probably the best ever done on film. But it's also something else. In these days of calculated best-sellers and smash movie hits, *Jaws* is a perfect money machine. □



Rogue shark feeding off a Long Island town—"A perfect eating machine."

FILM NOTES

Bite the Bullet. Seems in the old days one of the big events in the West was the endurance horse race. The *Denver Post* sponsored one in 1908, and it is around this that director-writer Richard Brooks has built his unusual Western. Apparently, the motorcycle had been invented by then, for a newspaperman uses one to follow the participants in the race for 700 miles and several days across mountain and desert, through woodland and mesas, to the conclusion. The cast, a good one, includes the always estimable Gene Hackman, the suave, graceful-riding James Coburn, Ben Johnson, and Candice Bergen, all hoping to win the prize money for various and sundry reasons. Brooks sort of lopes along with his film, making it into an entertaining, easygoing chronicle of adventure, concentrating on his characters as well as on the handsome scenery while giving us a sense of the West as it might once have been.

The Fortune. A surprising film directed by Mike Nichols, in that it is a mere pastiche, a cute comedy set in the late Twenties, in which two fortune hunters attempt to separate a young heiress from her inheritance by dastardly means, even to an attempt on her life. For this to succeed, stylization was necessary, and, to a degree, Nichols carries it through. Warren Beatty plays a married scoundrel who gets his friend to marry the girl in his place. That friend, Jack Nicholson, is an embezzling bank clerk, and he is delightful in his seedy way. Stockard Channing is the girl whose sanitary-napkin fortune is the goal, and she's a charmer, too. Adrien Joyce (of *Five Easy Pieces*) wrote the script, which apparently enchanted the imposing Mike Nichols and his two imposing male stars. Well done as it is, and very funny in spots, the slightness of the material makes the film basically a diversion—no more, no less.

The Wild Party. Back in the late Twenties again, at a party given by a noted film comedian who has lost both his humor and his fandom. The party is meant to restore his fortunes (with studio bosses and pretty, willing girls present for the occasion), but things go very wrong. Not many films have been based on poems. This one is, a narrative poem by Joseph Moncure March, but it gives neither dignity nor quality to the film. James Ivory has directed it pretentiously, James Coco plays the failed comic as though he's Hamlet, and Raquel Welch appears as his unfaithful ladyfriend, Queenie, once a singer and a dancer, but no more, if her attempts at those arts are any indication. Very little that's wild occurs at the party; in fact, it's one long bore.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Studies in Black and White

by Barbara Mackay

Interracial rape and interracial marriage may not go together like the proverbial horse and carriage, but in recent plays by two of America's leading black playwrights, Amiri Baraka and Ed Bullins, they're almost inseparable.

In Amiri Baraka's *Sidney Poet Heroical,* which played at the Henry Street Settlement's New Federal Theater this spring, a sex-crazed white woman makes continual physical assaults on a black film star named Sidney before, during, and after his marriage to a less voracious white girl. Ed Bullins's *The Taking of Miss Janie,* which opened at Lincoln Center's Newhouse Theater in May, begins with a young white college student, Janie, being raped by her formerly platonic black friend Monty. In the course of the play, Monty's black ex-wife finds a new white husband, and a black intellectual weds a Jewish girl hot on the trail of her liberated self.

Since Bullins and Baraka have been writing about racial misunderstanding in novels, theater pieces, and essays for years, it's reasonable to expect these new plays to shed some light on race relations in the Seventies. Instead, both playwrights seem to dwell in the past, dealing with issues of racial pride and prejudice in terms that might have sounded fresh in 1965, but by now are a bit wilted. In particular, both Baraka and Bullins treat miscegenation—legal or illegal—as if it were something new and scandalous.

Bullins's play is set in the Sixties, when, Bullins feels, "rape was symbolic of race relations" and of the "separation of blacks from white European culture." His main character, Monty, appears to be a self-absorbed stud who makes love to whatever female happens to be within his reach. In Bullins's eyes, however, Monty represents the brave young buck rebelling against 400 years of racial oppression, "expressing his own imperative to reach self-determination."

By elevating rape into an act of supreme liberation from white oppression, Bullins reinforces the notion that black men covet white women so much, either as sexual ideals preferable to black women, or as symbols of class and power, that they will stop at nothing to possess them. It's a notion, based on a sense of black inferiority, that black leaders have tried to counteract for years, and to see it used as the heart of Mr. Bullins's play gives one pause.

If Bullins had stressed Monty's willingness to use force to get what he wants, Monty might have been a more accurate portrait of modern black pride and determination. Instead, Bullins emphasizes the importance of the prize itself, not the means his hero must use to get it.

That Bullins's play is politically retrograde is not really surprising, though. While he and Baraka were in the vanguard of militant black playwrights during the Sixties, in the past few years Bullins has become less strident and more cynical about black writing and black political consciousness. In an interview in *The New York Times* of May 18, 1975, when asked about the response of other black militants to *Miss Janie,* he asked, "Are there any black militants left?"

THOUGH THERE MAY NOT BE many in the audience, there is still Amiri Baraka (formerly LeRoi Jones), who has broken a considerable period of silence with a slick, semi-musical satire of Sidney Poitier. In fact, Baraka's play attacks all blacks who "make it big" in white society, forget their roots, and begin to think, talk, and live "white." Much of Baraka's characterization is funny and effective: his portrait of Sidney's egotistical, ruthless buddy and mentor who prances across the stage in knee-high boots, skin-tight pants, and shirts invariably open to subnavel levels, and his white she-devils in glittery make-up, women propelled by extravagant sexual and economic tastes, are clever exaggerations of America's fortune-hunters and culture vultures.

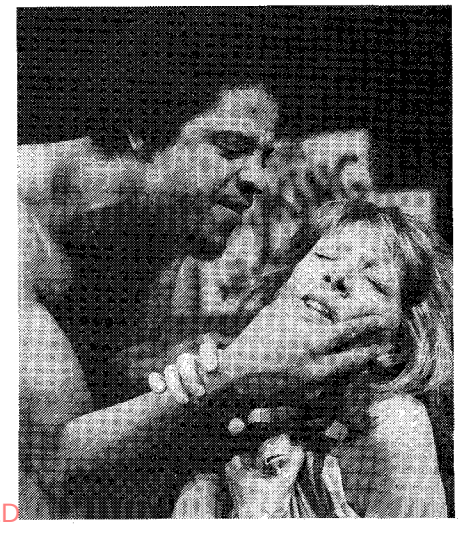
But *Sidney Poet Heroical,* directed by Baraka, overworks the contrast between the bizarre, surrealistic white world and the more realistic scenes from black life. The down-to-earth black chorus that chides Sidney, warning him not to sell out, becomes predictable and tedious. So does the dizzy white nymphomaniac, who continually shinnies up poor Sidney as if he were some great phallic monument available to public climbers.

Eventually, what begins as a witty analysis of human appetite (not specifically black or white) dwindles into a simplistic morality tale, resolved as if by magic. All Sidney has to do is put on Black Muslim gear and chant a Muslim chant, and the evil that threatened him disappears, the girlfriend he abandoned when he married a white woman comes back to him, and all is well in Sidney's little heaven. The Black Muslim religion may be a potent force in the unification of black people, but at the end of a theatrical farce it makes for an incredible, heavy *deus ex machina.*

Despite the considerable differences in style, talent, and political commitment between Bullins and Baraka, *Sidney Poet Heroical* and *The Taking of Miss Janie* share a curious simplicity: both seem to be preaching to a fairly naive audience. Two plays by new black playwrights, on the other hand, Leslie Lee's *The First Breeze of Summer* and Silas Jones's *Waiting for Mongo,* assume a higher level of social consciousness. Both plays use miscegenation, but not as a substitute for any other form of interracial communication or with the faintly sensationalistic flavor Baraka and Bullins give it. In Lee's play, a sexual relationship between a young black maid and her white employer's son is treated as an important romantic interlude in the girl's life. Ultimately, the man deserts her, but then so do her black lovers.

In *Waiting for Mongo,* a trumped-up rape triggers a Mississippi lynch mob and makes the town's black citizens reveal their varying levels of psychological conditioning. The brainwashed black preacher, for example, prays, "Jesus, lay your big white hand on this poor manchild," and urges the young black revolutionary always to consider before he acts, "What do *they* think about what I'm about to do?" Jones and Lee are only two of many promising young playwrights who are trying to explore black consciousness and black pride in new ways, to present audiences with an alternative to Bullins's easy cynicism and Baraka's simple idealism. □

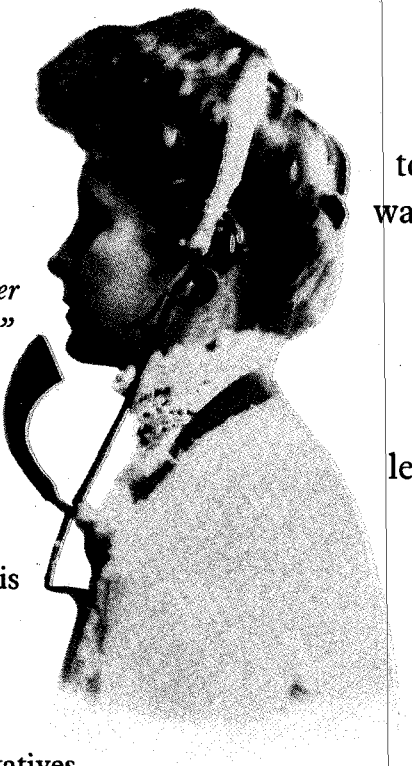
The Taking of Miss Janie—*Rape as a "supreme liberation from white oppression."*



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

One of a series of reports on the first hundred years of the telephone.

How there came to be only one telephone company in town.



"Number please."

"In many cities of the United States, and in rural communities as well, there are dual and competing telephone systems, doing both local and long-distance business...Patrons of these telephone systems are put to endless annoyance and increased expense. In order to reach all the people using telephones, the telephone patron finds he must install two telephones in his house and office...Double systems of cables, wires and conduits burden the streets and highways."

—Report of the House of Representatives Committee on Interstate and Foreign Commerce, 67th Congress (1921)

When Alexander Graham Bell's telephone patents expired in 1893 and 1894, new telephone companies sprang up almost overnight. The accepted way of organizing communications was to have the "dual and competing telephone systems" cited in the Congressional report.

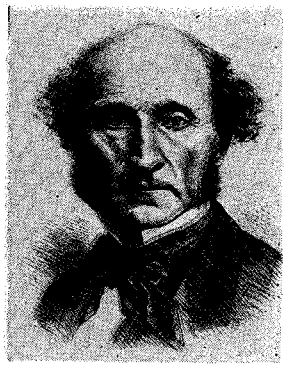
"Call us. We're on the Bell," was a frequent invitation in those days, to friends or customers. Central, the voice of "Number, please?", spent a lot of time explaining to customers that the number wanted was on the town's other telephone system. And each month there were two telephone bills to pay.

A solution to the problem had been worked out long before by John Stuart Mill. In 1847 Mill had studied the situation of two other new industries that supplied water and gas through pipes to the homes and businesses of London:

"It is obvious, for example, how great an economy of labour would be obtained if London were supplied by a single gas or water company instead of the existing plurality. While there are even as many as two, this implies double establishments of all sorts, when only one, with a small increase, could probably perform the whole operation equally well; double sets of machinery and works, when the whole of the gas and water required could generally be produced by one set only; even double sets of pipes, if the companies did not prevent this needless expense by agreeing upon a division of the territory. Were there only one establishment, it could make lower charges, consistently with obtaining the rate of profit now realized."

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Such a consolidation, Mill saw, was clearly in the public interest. The concept of a "public utility" was reinforced.



John Stuart Mill

When Edison's electric light superseded illuminating gas, the parallel was obvious. It was not quite so obvious for the telephone.

It was not hard to see that the public benefited from having water piped into homes. But while some viewed the telephone companies as providing a similar vital service, others regarded them as being more akin to manufacturers selling ingenious machines in the luxury class. When only a few people had telephones, one observer called them "electric toys." Should Bell's invention be compared with Edison's new electric light, or was it more like his phonograph? As the proportion of homes and businesses with telephones grew, the usefulness of the telephone increased greatly.

Then there was the matter of geographic area served. An exclusive franchise for a specified area is a natural corollary of Mill's concept of a public utility. And exclusiveness was a troublesome subject.

When two or more rivals supply a similar service, competition keeps each up to the mark, or else some eventually lose customers and go out of business. If in the public interest, government removes that rivalry by granting exclusive franchises, then government must provide the mechanisms for preventing arbitrary or excessive charges or unreasonable or discriminatory regulations.

The doctrine of public regulation of privately owned resources has its roots in Roman law and the tenet of *justum pretium* —"just price." English common law provided a rationale for regulation. In an essay on rates for wharf services, Sir Matthew Hale, Lord Chief Justice of England, established in 1670 the criterion that private industries "affected with a public interest" may be regulated by the public:

> "If the King or subject have a public wharf unto which all persons that come to that port must come and unload their goods...because they are the only wharfs licensed by the King...or because there is no other wharf in that port...there cannot be taken arbitrary and excessive duties...but the duties must be reasonable and moderate....For now the wharf and crane and other conveniences are affected with a public interest."

Various municipal boards did undertake to control the quality of service provided by water, gas and electric companies, usually through periodic reviews of franchises granted. It was no easy task. For quality of service leads quickly to questions of cost: good service for the price charged;

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

equal prices for all customers for services of a similar nature, so that no one is discriminated against; adequate service capacity so that anyone able to pay for the service can have it.

Local officials had their hands full regulating the three industries already mentioned (water, gas, electricity). They were not eager to take on the responsibility of regulating the telephone business. And so redundant companies continued to exist in many towns. Confusion multiplied geometrically as the companies strung long distance lines to connect various cities.

Theodore N. Vail

Soon after he was elected A.T.&T. President in 1907, Vail enunciated the goal: "One policy, one system, universal service." He saw that the future of the business depended on having one unified telephone service for the entire nation—a service that every family and business could enjoy. That meant ending duplicate telephone companies, replacing them with exclusive telephone franchises. In other words, Vail understood that it was not enough for the nation to have telephone companies. What was needed—and what he sought to create—was a *telephone system.* Vail saw, too, that the very "exclusivity" of the franchises invited—indeed, demanded—regulation by officials elected or supported by the public to protect the public interest.

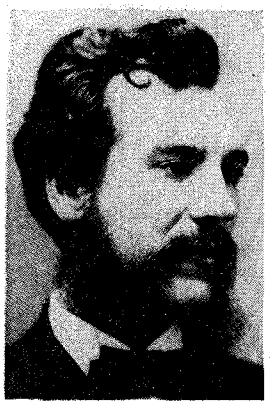
Vail thus agreed with the efforts of Gov. Charles Evans Hughes of New York and Senator Robert M. LaFollette of Wisconsin, who were working to persuade state legislatures to try a new approach to regulation through state utility commissions—responsive to the public at the state level—as best serving the public interest.

The state commissions, supported by public desire for efficient regulation, worked. Most public utilities came to be regulated on a statewide basis, and a framework of efficient regulation was set.

Vail recognized, however, that national regulation also was a necessary complement to state regulation, particularly since one company—A.T.&T.—was chiefly responsible for interconnecting the individual telephone companies into a telephone system.

As noted earlier, regulation of telephone companies already had begun to develop at the state level. But on the national level—for telephone lines and services crossing state boundaries—there was no federal counterpart to the state regulatory commissions, although telegraph companies had been regulated to some extent by the Postmaster General and the Interstate Commerce Commission under statutes dating back to the 19th century.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Alexander Graham Bell

The first effort at comprehensive federal regulation came in the Mann-Elkins Act of 1910, amending the Interstate Commerce Act. Telephone, telegraph and cable companies were declared to be common carriers subject to ICC regulation.

Federal regulation took a new turn in 1934 with the passage by Congress of the Communications Act, which established the Federal Communications Commission. The intent of Congress—as it had been the intent of both Bell and Vail—is outlined in Section I of the Communications Act:

"For the purpose of regulating interstate and foreign communications by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, nationwide and worldwide wire and radio communication service with adequate facilities at reasonable charges...."

Almost alone among the nations of the world, then, this country entrusted the development and operation of its communications resources to private enterprise. It endowed companies with the rights and responsibilities of common carriers, each solely privileged to purvey its services within its territory but all in turn strictly accountable through state and national regulation to the public they serve.

Has it worked?

In 1968, President Johnson's Task Force on Communications Policy concluded, "It can be truly said that the United States has the finest telephone system in the world."

That kind of service didn't just happen. It was planned that way, right from the start.

Bell System

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The militia marches past the powder magazine—"All these heady vapors flow through Williamsburg in any season."

1776 and All That

by Horace Sutton

Since every settlement this side of Zep, N. Dak., is drumming up a jamboree in honor of the national anniversary next year, you can just imagine what's been going on in those restored colonial minds at Williamsburg, Va.

Although they are ready to acknowledge, down there, that independence was proclaimed in 1776, they avow that the real excitement which electrified the Virginia colonists took place the year before. In 1775 Patrick Henry, in Richmond, was talking about liberty or death. Even more inflammatory was the report carried in the *Virginia Gazette* that all colonial governors had been informed that no arms shipments were to be exported to the colonies.

This advisory from the Crown suggested to Governor Dunmore of Virginia that he should move to have the powder, then resting in a magazine at Williamsburg, removed without delay. Summoning the Royal Marines, a handy group upon which to call in case of emergency, Dunmore dispatched a contingent to retrieve the explosives. The marines carted off 15 barrels of powder to a British ship moored at Burwell's Landing nearby, though not before their caper had been discovered.

The night watchman summoned the militia, and soon a drummer had roused a mob, as angry as it was sleepy. The mayor placated the townsfolk and settled for a respectful protest to the governor. No diplomat, Dunmore responded by threatening to arm the slaves and sack the town. Forty-eight hours after the powder incident at Williamsburg, the militia at Lexington and Concord had engaged the redcoats, a fact that reached Virginia a week later. From New England to the southern colonies, the future course was inevitable. There would be a move toward independence, no matter the cost.

When I was down inhaling history at Colonial Williamsburg the other week, the local fathers were taping a provisional version of a sound-and-light show at the restored magazine where the powder pilferage took place 200 years ago. Silhouettes were flashed on the brick wall, voices carried the commentary to the assemblage gathered on the green in the spring night, and the militia marched and counter-marched, drums beating.

The show, a tryout really for Williamsburg's Bicentennial commemoration, barely hinted at the historical import of Dunmore's surreptitious action. The stealing of the powder had inspired Patrick Henry to lead 150 armed volunteers in a march on Williamsburg. When Carter Braxton managed to obtain a bill of exchange that covered the cost of the powder, Patrick Henry called off his men. But Governor Dunmore thereupon branded Henry an outlaw and rigged a booby trap on the powder magazine. Several young stalwarts who forced their way into the magazine the night of June 3 were met by a shotgun blast, automatically triggered. The citizenry responded by branding the royal governor a would-be assassin.

In one of the most ignominious departures witnessed up to that time, Dunmore and his family stole out of the Governor's Palace early on the morning of June 8, 1775, and took refuge on *H.M.S. Fowey*, then at anchor off Yorktown. British rule came to an end, and a week later George Washington was selected as commander in chief of the Continental Army.

All these heady vapors flow through Williamsburg in any season, but they have broken into full flood this year, and the official start of the Bicentennial is still six months away. After all, Washington often supp'd at Raleigh Tavern, and Jefferson danced there. Raleigh Tavern doesn't function as an inn anymore, although it is restored in great style, and the perfume from its bakery in back is undeniable evidence that gingerbread cookies still flow from its colonial oven. Washington dined 10 times in two months at Christiana Campbell's when he came to town in 1772 to sit in the House of Burgesses. He and his friends formed a club at

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mrs. Campbell's, where they ate, drank, and talked politics and horses.

Mrs. Campbell's has been restored and reopened on the site at Waller Street, to which the proprietress moved her business in 1771. It is one of the three taverns—King's Arms and Chowning's are the others—where the twentieth-century visitor can dine in an approximation of colonial style. The 20-ounce T-bone, on the menu at $8.75, may not have appeared on the bill of fare when Washington viewed it, but a daring diner dipping into eighteenth-century epicurean specialties might try the colonial game pie, a stew of duck, venison, and rabbit with bacon lardoons; or salmagundi, a midday mix of Virginia ham, fowl, hard-cooked eggs, pickled gherkins, celery hearts, and anchovies. The dark wood walls and the waiters in breeches and buckle shoes help the illusion, although the patrons will be tourists rather than eighteenth-century patriots.

Chowning's creates again the alehouse that Josiah Chowning opened in 1766, serving a more earthy type of patronage than King's Arms and the Raleigh. It still dishes up Brunswick stew, a sort of chicken fricassee, and slakes the customers' thirst with a punch of lemons and sugar added to a choice of hard liquors or sangaree, an eighteenth-century drink made of Madeira, lemons, and oranges, served cold.

The most patrician of all the restored eighteenth-century taverns is probably King's Arms, which moved to a new location opposite the Raleigh in 1772, and attracted a select clientele including Major Gen. Baron von Steuben, who once ran up a bill of $288.60. History doesn't say whether the bill was paid. It is recorded, however, that after the Revolution was won, the name of the place was changed to Eagle Tavern.

In restoring it to its colonial style, the Williamsburg people have also restored its original name. No lodging is available as it was in Steuben's day, but a visitor could run up a bill of $10 for dinner, dining on cream of peanut soup, tenderloin of beef stuffed with York River oysters and bound with bacon, Sally Lunn bread, and Mrs. Randolph's frozen lemonade.

The author of *The Virginia Housewife: or Methodical Cook,* Mrs. Mary Randolph, ran a celebrated salon for Federalists in Richmond, although she was later reduced to operating boarding houses. She probably wrote her book at the home of a son who lived in Georgetown. It was published in Washington in 1824, and long after she was buried in Arlington, four years later, new editions continued to appear.

Mrs. Randolph is quoted at some length in *Colonial Virginia Cookery,* a book by Jane Carson, part of the Williamsburg Research Studies series distributed by the University Press of Virginia. Serious students of colonial culinaria will do well to lay a hand on Evan Jones's new book, *American Food: The Gastronomic Story,* which in great display and presentation dives deeply into the culinary ways of the emergent nation.

As an expert in early American habits was telling me down in Williamsburg the other day, the colonials were not

a bacon-and-eggs-for-breakfast people. The first thing the cook did in those buckle-shoe times was to start the midday meal, *then* think of breakfast. Rather than crunching Rice Krispies, the breakfasters were more likely to eat meat, probably a heated-up hash of leftovers. The big meal of the day came in mid-afternoon, and it reflected, at least in these parts, the abundance of food in Virginia. The woods were teeming with game, the rivers brimming with fish. The southern colonists didn't eat mutton in the fashion of the mother country, because there was no wool industry. The pigs, brought over by the early colonists, roamed the woods, ate nuts, and grew lean. The Indians had contributed their curing techniques, smoking and salting among them, and what evolved was the Virginia ham.

By the nineteenth century, as Evan Jones points out, American peanut-fed hams were a favorite of Queen Victoria, and "a standing order went out from the palace for six of these Virginia hams each week."

Like the New England colonists, the southerners adopted corn from the Indians, and it appeared on southern tables as cornmeal mush, hominy, spoonbread, and cornbread. Although the Puritans of New England wouldn't have dreamed of such a custom (they were busy eating pie for breakfast up there), southern planters started their day with a pre-breakfast julep as a protection, so those matutinal tipplers averred, against malaria.

Aside from dining, more or less anyway, in the style of the colonials, visitors to Williamsburg can also learn such early artisanry as the care and keeping of the powdered peruke, pouring silver, making barrels, and printing and bookbinding. In preparation for the Bicentennial year, youngsters between 8 and 16 can enroll as craftsman's apprentices much as they might have been impressed into child labor in the colonies. Here, however, the service is voluntary and only lasts for two hours in the morning and two hours in the afternoon.

Even during these short periods, however, the youngsters can learn candlemaking as well as the tedious process of turning flax to cloth. The flax, grown in a family patch, first had to be broken. The apprentices learn to do that, separating the fine threads from the rough hull, using a heavy wooden masher. Then the fibers are pulled through a hackle, a metal comb of many tines. Finally, the soft remaining flax is spun, a chore given in colonial times to girls whose legs had grown long enough to reach the treadle. Flax left over from spinning could serve as a wick. At the Powell-Waller House, where the apprentices are in attendance, beeswax is heated in huge copper kettles, and the wicks are dipped again and again until a candle is formed.

In the early days animal fats were sometimes used as tallow, but fats give off unpleasant odors, and Colonial Williamsburg people use beeswax mixed with paraffin. Similarly, they skip the process of soaking the flax before it is broken. Wet flax emanates unseemly odors, so in this restored version of colonial days, the flax is neither grown nor soaked in Williamsburg but imported from Belgium full-grown and presoaked, ready to be broken.

Lest anyone come away with the notion that the Founding Fathers were living a rude and primitive existence, the visitor today ought to partake of such special Williamsburg pleasures as a concert performed by candlelight in the

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

splendid Governor's Palace or a visit to Carter's Grove, a magnificent plantation often visited by Washington, Jefferson, and other social luminaries of the planter aristocracy.

Soon it will be possible to journey to Carter's Grove by back road through the Virginia woodlands, avoiding the short drive along the highway that leads past the new Anheuser Busch brewery and the appended theme park, which the Busch family has carved out of some 3,600 acres bought from Colonial Williamsburg.

The great red brick mansion commands a rise above the river, surveying 522 acres, a fraction of the 300,000 acres once owned by Robert "King" Carter. In his will written in 1722, Carter decreed that all his lands and his 1,000 slaves "be enjoyed by my Daughter Elizabeth" and that "this estate in all times to come be called & to go by the name of Carter's Grove. . . ."

When the estate came into the hands of a Rockefeller foundation in 1963, the Colonial Williamsburg researchers and archeologists set about returning house and garden to the way they looked when Carter Burwell, then 34 and a grandson of King Carter, had it built in 1750. It has been called the most beautiful house in America, and Colonial Williamsburg, in league with the State Department, uses it now and then to entertain foreign visitors of note. A dinner for the Shah of Iran was held in its rooms recently, every bun and pat of butter trucked in and set in motion by a seasoned team of caterers.

While I have never been privy to that manner of dazzling entertainment, I was part of a pleasurable little picnic at the plantation one day recently. Sitting there on the grounds, nibbling on deviled crab and snippets of Virginia ham tucked in biscuits, one could survey the James River like a lord, summon the image of young Carter Burwell, and, later in the polished halls, listen for the tread of Washington's boots on the parquet floors. Given all that elegance, it is a wonder that the patriots found within themselves the unquenchable desire to forsake the Crown and embark on a war of uncertainty and privation against one of the most powerful nations of its time. That it took an incredible amount of fortitude, unfaltering belief, and raw nerve may be one of the real lessons to loom out of the ground fog of ballyhoo that has begun to envelop the Bicentennial. □

ANNOUNCING THE

Saturday Review

Twenty-first Annual Travel Photo Contest

Honoring the American Bicentennial

Contest Rules

1. The Bicentennial Travel Photography Contest is for *amateur photographers only*. Professional photographers (individuals who earn income from taking or selling photographs) are not eligible; nor are employees of SATURDAY REVIEW or their families and relatives.
2. Contest entries must have been taken *on a trip made this year* and in a locale within the 50 states or in any commonwealth, possession, or trust territory of the U.S.
3. Black-and-white prints, color transparencies, and color prints are acceptable; prizes will be awarded in two categories: black-and-white and color.
4. Each entrant is limited to two entries in each category, i.e., two black-and-white prints and two color prints or two color transparencies or one color transparency and one color print.
5. Black-and-white Category:
   (a) Prints must be *unmounted* glossies no larger than 11"x14".
   (b) On the back of the print must appear: entrant's name and address; make of camera and film used; date and place entry was taken.
   (c) Developing and printing may be by the entrant or by a commercial photofinisher. No artwork or retouching of print or negative is permitted.
   (d) No black-and-white entries will be returned.
6. Color Category:
   (a) Color transparencies must be *originals* and in cardboard slide-mounts. Duplicates and glass mounts are not acceptable.
   (b) Color prints must be *unmounted* and no larger than 11"x14".
   (c) On the back of each print and on the mount of each transparency must appear the same data specified above for black-and-white entries.
   (d) Color prints will not be returned. Transparencies will be returned only if accompanied by a self-addressed, stamped envelope and protective cardboard.
7. Entries will be judged on photographic quality, originality of subject treatment, and the sense of place (locale, local color, etc.) they convey. The judges will be a panel of *SR* editors, and their decision will be final.
8. Winners will not be notified before December 1, but a list of winners will appear in the January issue of 1976.
9. *SR* will not be responsible for condition of entries upon receipt or upon return. The sender assumes all risks.
10. *SR* will not enter into correspondence with entrants about their entries; no letters accompanying entries will be acknowledged.
11. Before receiving a prize, the entrant is obliged to sign a statement that the entry is the work of an amateur photographer; that the entry, or any closely similar picture of the subject, has not been and will not be entered in any photography contest other than the *SR* Bicentennial Travel Photography Contest, and has not been and will not be offered for publication in any manner prior to January 3, 1976. *SR* retains first publication rights to prize-winning photographs as well as those that receive honorable mention. *SR* reserves the right to use such photographs for promotional purposes (including exhibition in a traveling show during the Bicentennial Year).
    Original black-and-white and color negatives (as well as model releases) for prize-winning entries must be made available upon request.
12. Awards for winning photographs, which will be travel prizes (to be announced in subsequent issues), are neither transferable nor convertible to cash.

Entries must be postmarked no later than September 22, 1975. Mail entries to: Saturday Review Travel Photo Contest, 488 Madison Ave., New York, N.Y. 10022

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Double-Crostic No. 77

by Thomas H. Middleton

1 U	2 A	3 M	4 D	5 P	6 O	7 B	8 I		9 N	10 V	11 F	12 O	13 G	14 K	15 S	16 L
	17 A	18 X		19 D	20 J	21 T		22 P	23 A	24 T	25 M	26 G		27 L	28 Y	
29 F	30 P	31 V	32 Q	33 D	34 J	35 M	36 N		37 I	38 P		39 T	40 H	41 C	42 F	43 K
44 X	45 O		46 W		47 J	48 Q	49 L	50 Y	51 I	52 T	53 D	54 A	55 G		56 Y	57 E
58 J	59 C	60 R	61 I	62 Q	63 F	64 P		65 Q	66 I	67 T	68 U		69 E	70 C	71 W	
72 G	73 I	74 B	75 N		76 M	77 R	78 T	79 H	80 J	81 K	82 X	83 F	84 U	85 S	86 I	
87 B	88 V		89 U	90 E	91 J		92 P	93 C	94 H	95 U		96 N	97 G	98 Y		99 A
100 P	101 W	102 O		103 J	104 U	105 L	106 R	107 W	108 X	109 P	110 C	111 S	112 B	113 Y	114 E	115 J
	116 X		117 M	118 Y	119 E	120 S	121 J	122 F		123 G	124 B	125 P	126 W		127 J	128 H
129 Y		130 R	131 A	132 M	133 P	134 T	135 C	136 O	137 Y	138 U	—	139 I	140 H	141 S	142 G	143 D
144 J	145 K		146 U	147 V	148 M	149 W	150 F	151 R	152 O	153 K	154 L	155 P	156 X	157 J	158 C	
159 S	160 R	161 D	162 G		163 K	164 V	165 H		166 A	167 M	168 U	169 L	170 O		171 V	172 I
173 N	174 Q	175 R	176 J	177 Y	178 B	179 X	180 M		181 U	182 T		183 I	184 D	185 K	186 M	187 T
188 S	189 A	190 U														

INSTRUCTIONS

If you've never solved one of these puzzles, it will probably look much more difficult than it actually is. If you can answer only a very few of the WORDS correctly, you're on your way to solving the puzzle.

Fill in the numbered blanks of all the WORDS you can guess, and write the letter of each numbered blank in its correspondingly numbered square in the diagram. The letters printed in the upper-right-hand corners of the squares indicate from what WORD a particular square's letter comes.

The diagram, when filled in, should read as a quotation from a published work. The dark squares are the spaces between words. If there is no dark square at the end of a line, a word may carry over to the line below.

The first letter of each WORD, reading down, will spell the name of the author and the title of the work from which the quotation is taken.

You should find yourself seeing words and phrases taking form in the diagram; so you can work back and forth, from WORDS to diagram and from diagram to WORDS, until the diagram is filled in.

CLUES	WORDS
A. English poet and playwright (1812–89; *The Inn Album*)	99 2 17 131 189 23 54 166
B. Jewish female demon	178 7 74 87 112 124
C. Persian rug ornamented with floral and animal patterns	135 158 41 59 70 93 110
D. Risk; gamble	161 184 4 19 143 33 53
E. Character or disposition of a community, group, person, etc.	57 69 90 114 119
F. Beginning to exist or develop	122 150 11 29 42 63 83
G. Bear witness supporting (2 wds.)	97 123 142 162 13 26 55 72
H. Coordinated; interlocked	40 79 94 128 140 165
I. Jailed, behind bars; up the river (3 wds.)	172 8 37 66 86 139 183 51 73 61
J. Establishment of harmonious relations	80 103 157 47 144 121 176 20 34 58 91 115 127
K. South American leguminous shrub whose root is used to color port wine	153 163 185 14 43 81 145

CLUES	WORDS
L. Seaport of the South Ukraine	27 16 49 105 154 169
M. Pop pianist-singer-composer (full name)	186 3 180 148 25 76 167 117 132 35
N. Queer; suspect	173 9 36 96 75
O. Son of Kenaz (Judges 3:9)	152 170 45 102 12 136 6
P. Sickle (2 wds.)	22 100 125 92 109 133 64 155 38 30 5
Q. Con man's technique	32 48 62 174 65
R. Deep-sea fish related to cod, family *Macruridae* (comp.)	60 160 130 151 106 175 77
S. Disappear; cease to be	15 85 111 141 188 120 159
T. Having primary responsibility for a specified patient	67 78 134 21 187 52 39 182 24
U. Parsimonious (comp.)	68 181 190 138 89 1 84 104 95 168 146
V. Evergreen shrub of China and Japan, bearing red berries	10 164 31 171 147 88
W. Period or condition of life	71 107 126 46 149 101
X. Extremely wicked	108 116 179 82 18 156 44
Y. Supplied to excess	50 177 56 28 118 113 137 129 98

Answer to *Double-Crostic No. 76* appears on page 6.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Light Refractions

by Thomas H. Middleton

Easy Solutions

I went to a conference about technical communications at Disneyland not long ago. One of the speakers was Dr. Lois DeBakey, whom I've mentioned before. She's been trying to teach doctors to use understandable English.

By coincidence, I had just sent in a *Light Refractions* that was largely about television commercials, and the first target Dr. DeBakey took aim at was those pseudo-medical television commercials: "The electronic medicine man promises 'fast, fast, fast relief' for everything from bad breath, adolescent pimples, and constipation to arthritis, obesity, and fatigue of old age. Credulous viewers are gulled into purchasing billions of dollars' worth of ineffective drugs and spurious panaceas. Unhappily, these advertisements do more to encourage hypochondria and anxiety than to relieve discomfort or illness."

The advertisements also further the old easy-answers response to problems—a response that probably appeals to almost everyone everywhere and has found its most extreme development here in this most extremely developed of nations. Can't sleep? Take a pill. Can't stay awake? Take another pill. Have a cold? Take this pill. Lack a love life? Try this toothpaste. And so on.

No wonder we've been called a pill-popping society.

The other day, watching a TV show about gun control, I thought that I perceived a connecting thread running from pill popping to pistol packing. The well-stocked medicine chest and the well-stocked armory are both attempts to deal with problems simply and immediately but, in fact, unrealistically.

Talk about "ineffective drugs and spurious panaceas"! What more insidiously spurious panacea is there than the revolver in the bedside table? The man on the TV show I was watching who said, "Nobody's gonna take away my gun—I got a constitutional right to protect my family and property" had almost certainly written his own scenario in his mind: *I wake up. It's 2* A.M. *I hear a noise. Quietly, I reach over and open the drawer of the bedside table. I take out my trusty .38 police special, tiptoe out of the bedroom, and before the intruders see me, I see them, guns in hand, ready to rape my wife and daughter, kill me, and steal my color TV, hi-fi, and German camera. I just blast away and kill the dirty-long-haired-bearded-Commie-radical-Weathermen-Black Panthers-just-let-off-with-a-slap-on-the-wrist-by-some-softheaded-judge.*

Dreams of glory. Consummations devoutly to be wished, perhaps. Unrealistic, though. Any honest scenarist will tell you that Murphy's Law ("if anything can go wrong, it will") is almost sure to mess up the script. Pistol packing, as a quick, easy answer to a serious problem, is analogous to the use of pills, sprays, and tonics that promise prompt relief from headache, bad breath, heartache, and the thousand natural shocks that flesh is heir to.

No doubt one may cite many reasons, latent and manifest, for owning guns. I distrust the sort of cliché-ridden popular psychology that offers such explanations as, "A gun barrel is the gun-owner's substitute for his inadequate manhood." That's undoubtedly true in many cases, but it probably isn't true of the groups that store arsenals to protect themselves against the police or of the other groups that store arsenals to protect themselves against *those* groups. And I don't think it's true of the guy on television who claimed his constitutional right to protect his family and his property. I think he's operating on that thread I mentioned—the easy-solution thread, which runs from assuaging a nagging headache with a pill to assuaging a nagging fear with a pistol.

That same easy-solution thread probably runs, on a much greater scale, to assuaging a greater fear with the U.S. Marines or with a massive B-52 raid. The point is that wherever that thread runs, the easy-solution cure is illusory, and as a result, the malaise will almost certainly get worse. □

Answer to *Wit Twister* (see page 50): lams, alms, slam.

Answer to *Literary Crypt No. 37* (see page 46): my theory is to enjoy life, but the practice is against it.

Charles Lamb

Classified

CLASSIFIED ADVERTISEMENTS are accepted at the discretion of the publisher. Rates per contract year (10-word minimum): 1 time $2.00 per word; 6 times $1.95 per word, per insertion; 13 times $1.85 per word, per insertion; 26 times $1.75 per word, per insertion. $2.00 for U.S. box numbers, in addition to word count. $5.00 for overseas box numbers, in addition to word count. Copy deadlines, 6 weeks prior to date of issue. Full payment must accompany your order. Address: Classified Department, Saturday Review Magazine, 488 Madison Ave., New York, N.Y. 10022. *Replies to SR box numbers should be sent to the above address.*

PERSONALS

SLEEP LEARNING equipment, tapes, books, Alpha devices. Strange catalogue free. Autosuggestion, Box 24-W, Olympia, Wash. 98507.

RECORDERS (FLUTES) KUENG SWISS import $25.00 up; Purcell from $16.00. Student special. Corelli $7.50; recorder instruction kit, soprano recorder, method book, three 7" LP instruction records, boxed $9.95. Add sales tax plus shipping $1.50. Recorder music methods. Guitar music. Free catalogue. 4-3-C, HARGAIL, 28 W. 38th St., NYC 10018.

LETTERS OF AUTHORS, scientists, statesmen, musicians, military leaders, etc., bought, sold. Collections, single items. Catalogues issued. Kenneth Rendell, Inc., 154A Wells, Newton, Mass. 02159.

TOP CASH PAID FOR LETTERS and documents of famous people. Immediate decision, immediate payment. Ask TODAY for free brochure, "How to Sell Your Autographs." Catalogues issued. Charles R. Hamilton, 25 East 77th St., NYC, 10021. (212) 628-1666.

HANG A POET. I'll handprint and frame your favorite poem. Brochure 25¢. SR Box 658.

FREE BOOK. *Prophet Elijah Coming Before Christ.* Megiddo Mission, Dept. 14, 481 Thurston Road, Rochester, N. Y. 14619.

SANTA FE SCHOOL OF ARTS AND CRAFTS, professional instruction in drawing, painting, sculpture, ceramics, weaving, jewelry-making, photography, etching. Courses also for credit, non-profit institution, creative, flexible, winter and summer courses, workshops. For information write Rt. 3, Box 129A, Santa Fe, N. Mex. 87501.

BICYCLE OWNERS: Multi-Purpose bike radio consists of a solid state AM radio, Headlight, signal horn and safety reflector. Fits on handle bars of bike. Colors red, blue or black. Complete with warranty and instructions. Order today $19.95. J & J Products, Dept. 6P13, 500 Oak St., Waterloo, Iowa 50703.

STEAM AWAY clothing wrinkles in seconds: save home cleaning bills. Order new Stanley Steamer today. Only $9.95 GUARANTEED. J & J Products, Dept. 1P13, 500 Oak Street, Waterloo, Iowa 50703.

SLEEP LEARNING, PSYCHIC DREAMING, AUTOSUGGESTION. Strange catalogue free. Natural Mind Trips—KESP, 1943 Hayes, San Francisco 94117.

NEUPERT HARPSICHORDS, CLAVICHORDS. Oldest, finest. Free catalogue. MAGNAMUSIC, Sharon, Conn. 06069.

PLAYWRIGHT SEEKS angel to back three, one-act plays, based solely on the magic of: "mmm", "O.K.", "like, I mean", and "y'know". SR Box W.P.

BEDSPREADS, FLOOR RUGS: woolen from Ireland, India; cotton from India. Irish tweed, heavy cotton, for upholstery, fabulous long skirts. LIBERTY, CROCK OF GOLD. CAPES to order. Carol Brown, Putney, Vermont 05346.

FINANCIAL ADVISOR SOUGHT. Establishing psychiatric ranch in Montana. Therapy adolescent sociopathic teenage male youths. Goal disciplined, self-reliant, law-abiding men. Fees $1500 to $2500 per month. Reply M.D. Psychiatrist: SR Box 994.

JOIN PRACTICAL JOKERS' Society of America! For application write: Box 19427, Orlando, Fla. 32814. Charter memberships available.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PERSONALS

CAN'T SLEEP, SWIM? Mack's pillow soft earplugs. Moldable. Recommended by doctors. Guaranteed! $2.00 ppd. Eyeshade, $3.00. McKeon Products, Dept. W, 23220 Ithaca, Oak Park, Mich. 48237.

HANDWRITING ANALYSIS in depth. $10.00. Elisabeth King, 41 E. 29th, NYC 10016.

POSTCARD ALBUMS

BEAUTIFUL POSTCARD ALBUM—world's finest; holds 200 cards—$8.95 postfree. Satisfaction guaranteed. Writewell, 485 Transit Bldg., Boston 02115.

COMPUTER-ERROR MERCHANDISE

DESPERATELY EAGER to dispose of several hundred plastic shampoo bottles mistakenly filled with vichyssoise as the result of computer whopper. SR Box V.S.

RARE MAPS

RARE MAPS. Our new 56-page Catalogue 0-5 of 16th-19th Century Originals, $1.00. Windsor Collection, 111 Canterbury Drive, Wilmington, Del. 19803.

COLLECTORS' ITEMS

COLLECTORS SERIES—airplanes, automobiles, railroad prints ready for framing. Send $1.00 for catalogue of these beautiful lithographs, *"Collectors Series,"* SRW, 161 W. Harrison, Chicago, Ill. 60605.

MEMO PADS

MATCH YOUR PERSONALITY to one of our 50 different exclusive personalized memo pad designs. Free catalogue, LEONARDO & MICHELANGELO, P.O. Box 24785 SR, Los Angeles 90024.

BIOFEEDBACK

ALPHAPHONE® headset—brainwave trainer. Free catalogue, Aquarius Electronics, Box 96-C, Albion, Calif. 95410.

ART

COLLECT FINE ORIGINAL ETCHINGS and lithographs by the world's great artists including Rembrandt, Picasso, Rouault, Soyer, Landau, and Florsheim. Free illustrated catalogue and master print supplement. (Mail $.25 for handling). Associated American Artists, Studio 9-B, 663 Fifth Avenue, NYC 10022.

GETTING STARTED in stained glass. $.50. Whittemore, Box 2065EG, Hanover, Mass. 02339.

R. C. GORMAN FOR THE SANTA FE OPERA. America's foremost Indian artist, working at Tamarind Institute, drew the image Dez-Bah for a series of 140 lithographs. 70 of this series have been donated by Gorman to be sold to benefit the nation's most honored summer opera. Dez-Bah: 33"x22", $350. Brochure on request. Albuquerque Opera Guild, Box 7155, Albuquerque, N. Mex. 87104.

PERIODICALS

ARTS REPORTING SERVICE. For five years, over 80% of the administrators, critics, trustees, and artists who read the Arts Reporting Service newsletter have renewed their subscriptions. To find out why, send $1 for 4 sample issues. ARS, 9214 Three Oaks Drive, Silver Spring, Md. 20901.

LITERARY SERVICES

CREATIVE ASSISTANCE in speeches, articles, novels. Robert Hogrogian. (201) 489-0637.

PROFESSIONAL AUTHOR, provable major credits, will write, rewrite, research, edit. Any subject, media, style. Confidential. Box 337, Atlantic Beach, N.Y. 11509.

MANUSCRIPTS, REPORTS, Research writing. All subjects. Reasonable. Personalized. Confidential. Professional team! Research Unlimited, Box 300S, Dayton, Wash. 99328.

LITERARY SERVICES

BOOKS PRINTED—Your story, poetry or nonfiction at low cost. Superior workmanship. Paperback or hardbound. Professionally typeset or offset. Free information, samples. Pinehill Press, 702 East 6th, Freeman, S.Dak. 57029.

ATTENTION, BOOK PUBLISHERS. I can help you screen your unsolicited manuscripts. Full, precise reports. SR Box 939.

WRITER AVAILABLE for conference reports, rapporteur, etc. Rewrite and prepare manuscripts for publication. Prompt, craftsmanlike work. SR Box 940.

RESEARCH, writing, translations, expertly done. All topics. Reasonable. Professional author. SR Box 644.

PROFESSOR OF AMERICAN LITERATURE would welcome opportunity to evaluate manuscripts for publishers or to do free-lance editing. SR Box 990.

EDITING, rewriting, translating, typing, transcribing. Bristol Associates, Box 71, So. Dartmouth, Mass. 02748.

MANUSCRIPT TYPING, editing, rewrites, cassettes. Marye Myers, Box 2435-D, Pasadena, Calif. 91105.

RESEARCH, writing, translations, expertly done. All topics. Reasonable. Professional author. SR Box 644.

BOOKPLATES

FREE CATALOGUE. Scores of beautiful designs. Antioch Bookplate Co., Box 28B, Yellow Springs, Ohio 45387.

BOOKS

30% DISCOUNT ON NEW BOOKS. Bookquick, B-3, Roseland, N.J. 07068.

SAVE 84% on publishers' overstocks. Free catalogue. Readers' Service, 1060 Twin Silo Lane, Huntington Valley, Pa. 19006.

GOOD USED BOOKS—WIDE variety, intelligent selection. Libraries buy regularly; you can too! History, fiction, social sciences, literature, miscellaneous subjects. Send $1.00 for listing of 20,000 titles and prices. Editions, Box SW, Boiceville, N.Y. 12412.

BOOKS SUPPLIED—Select Out-of-Print, Used, Fine, Scarce, Interesting. Send authors' names and titles wanted. Kendall Gaisser, Booksellers, 1242 Broadway, Toledo, Ohio 43609.

PUBLISHERS' OVERSTOCKS. Free catalogue. Write: Bookseller, 30-1 Chambers, Danbury, Conn. 06810.

HOW TO THINK about the Problem of Designing a Subculture. "As you have gathered we are not technologists but aestheticists who have acquired our technical knowledge deliberately to insure its proper development and usage. We have found that it is ignorance that perverts aesthetic and human values, not technical knowledge". $3 for two volumes 112 pages total and one issue of *Detour* magazine. Interactive Concerns Group, 4754 N. Harding, Chicago, Ill. 60625.

LEARN YOGA NOW, *INSPIRATIONAL YOGA* —Self-instruction handbook. Easy physical-mental techniques. Authentic method, fully illustrated. Only $3.95. YOGA PUBLICATIONS, 8500 Southwest 119 Street, Miami, Fla. 33156.

OUT OF PRINT BOOKS

LOOKING FOR A BOOK? Free search service if not in our large stock. Write: Q. M. Dabney & Co., Box 31061-W, Washington, D. C. 20031.

NAME THE BOOK—WE'LL GET IT! Free search service. Chicago Book Mart, Box 636B, Chicago Heights, Ill. 60411. Est. 1948.

FREE SEARCH SERVICE and every book guaranteed. You name it—we find it! International Bookfinders, Inc., Box 1-SR, Pacific Palisades, Calif. 90272.

OUT OF PRINT BOOKS

WE FIND BOOKS! Rare or out-of-print. Free search. Eva Davis Books, 2 Prince Charles, Williamsburg, Va. 23185.

FREE BOOK SEARCH SERVICE. No obligation. Clover House, Box 5134-R, Santa Barbara, Calif. 93108.

COLOR SLIDES

ART—EDUCATIONAL—TRAVEL. 50,000 Individually sold. Samples—Listings $1.00. Visuals, 440 N.W. 130 Street, Miami, Fla. 33168.

MOTION PICTURE FILMS

SUPER 8MM, 16mm, 8mm silent and sound film classics. Free catalogue. NILES, 1141-SR Mishawaka, South Bend, Ind. 46615.

MUSICAL INSTRUMENTS

SPERRHAKE HARPSICHORDS, CLAVICHORDS. Robert S. Taylor, 8710 Garfield Street, Bethesda, Md. 20034.

SABATHIL & SON Harpsichords, most beautiful sound, great stability. Directly from maker, from $1,195.00. Brochure $1.00. Dept. SR, 1084 Homer Street, Vancouver, B.C., Canada V6B 2X4.

HARPSICHORDS, CLAVICHORDS, AND VIRGINALS. Authentic classical designs for home construction by the amateur builder. Write for free brochure. Zuckermann Harpsichords Inc., 12 Grand Street, P.O. Box 121, Stonington, Conn. 06378.

UNCOMMON MUSICAL INSTRUMENTS. Historical replicas woodwinds, brass, strings. Lutes, gambas, harps, harpsichords. Dulcimers, kanteles, balalaikas, bouzoukis, fine guitars. Catalogue $1.00, refundable. Classical Instruments, Inc., Gateway Building, New Orleans, La. 70130.

BURTON HARPSICHORDS—Fine and lasting musical instruments in kit form. Patented Burton Jacks. Write Box 80222S, Lincoln, Nebr. 68501, for free brochure.

RECORDERS—FINEST MAKES. Largest music selections. Free catalogue. RECORDER CENTER, Amenia, N.Y. 12501.

MUSICAL INSTRUCTION

FREE: Read music in ten minutes! Box 751-B, La Canada, Calif. 91011.

PIANO INSTRUCTION by experienced teacher. Beginners and intermediate. Children and adults. Limited enrollment. (212) 534-7910.

RECORDS AND TAPES

FREE 200-PAGE CATALOGUE offers over 1700 fine recordings of Renaissance, Baroque, classical, romantic, and modern music. All stereo recordings. Highest quality at budget label prices. Available only by mail from MUSICAL HERITAGE SOCIETY. WM, Box 932, New York, N.Y. 10023.

BIG SAVINGS on records and tapes. All factory-fresh. No club fees or gimmicks. Details on request. LP or tape catalogue, $1 each. S & J Sales, Dept. SR, P.O. Box 494, Ardsley, N.Y. 10502.

GOURMET INTERESTS

TEA DEVOTEES savor world's rarest select teas. Grace Tea Importers, Dept. WO7, 799 Broadway, NYC, 10003. Free brochure.

SCHOOLS

PRIVATE SCHOOL PLACEMENT SERVICE. Student's individual requirements primary consideration. 163 High Street, Middletown, Conn. 06457. Telephone: (203) 346-5111.

STONELEIGH BURNHAM SCHOOL—An independent boarding school for 175 girls, grades 9-12. Pre-college curriculum with electives, independent study & advanced placement. Creative arts, wilderness program & skiing. 150 acres near 5-College area; stable, indoor ring & gym. Faculty-Student ratio, 1:5. Est. 1869. Accredited by NEASC. Write: Director of Admissions, Box R, Stoneleigh-Burnham School, Greenfield, Mass. 01301.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

SCHOOLS

THE VERSHIRE SCHOOL. Co-ed secondary school combining scholarship, adventure, work, creativity. Staff backgrounds include Foreign Service, business, and Peace Corps. Blending Peace Corps approaches (field study Mexico and Europe), imagination with desirable traditional goals. Near Dartmouth. Magnificent thousand acres scenery. Fifty horses and indoor riding ring . . . all very secondary to warm outstanding education. S. Ingham, Vershire, Vt. 05079. (802) 685-4547. SUMMER SCHOOL INTEGRATING ACADEMICS AND RECREATION.

SCHOOLS AT SEA

SEMESTER AT SEA—Accredited. Join the 10,000 students from 450 colleges who've sailed with us to exotic ports worldwide. Financial aid available. Free catalogue, World Campus Afloat, Orange, Calif. 92666.

ALTERNATIVE SCHOOLS

LOOKING FOR AN ALTERNATIVE? Join a closely-knit, co-ed, educational community, (ages 17-22), in a simple, challenging life on a working farm. Enjoy autumn in beautiful setting on lake in mountains of central Vermont. Clarify personal values in situation demanding individual initiative, cooperation with environment and peers. Farm/community chores: Firewood, livestock, cooking. Opportunity for: garden harvesting, forestry, studio arts and handicrafts, woodworking and carpentry, hiking, apple picking and cider pressing. Begins September 9. A project of the Farm and Wilderness Foundation guided by Quaker ideals and leadership. Jan S. Klotz, Tamarack Farm Community, Plymouth, Vt. 05056.

COLLEGES

ADULT DEGREE PROGRAM for self-motivated adults. Two-week residencies in Vermont or California alternate with 6-month home study projects under faculty supervision leading to fully accredited B.A. Also unusual Residential, Graduate and Vermont teacher certification programs available. Approved for payment of Veteran's benefits. Write: Box S, A.D.P., Goddard College, Plainfield, Vt. 05667.

DYNAMIC COLLEGE FOR WOMEN. Liberal arts including special education, medical technology, social work, dietetics, music therapy, translator training. AA in food management, business, general and medical secretarial, speech and drama. Write: Saint Mary-of-the-Woods College, Terre Haute, Ind. 47876.

TEACHER TRAINING

MONTESSORI INSTITUTE OF ATLANTA teacher training course accepting applications for September, 1975. Diploma granted Association Montessori Internationale. Write: P.O. Box 52602, Atlanta, Ga. 30305.

STUDIES ABROAD

SCHILLER COLLEGE EUROPE in Heidelberg, Strasbourg, Paris, London, Madrid. Liberal arts; B.A., M.A. curricula: academic year and summer programs. American credit system. Also special programs: music, theatre, fine arts, religion, international business administration, international relations. Write: Schiller College U.S. Office, 429 N.W. 48th St., Oklahoma City, 73118. (405) 842-5979, or Admissions Office, Friedrich-Ebert-Anlage 4, 69 Heidelberg, Germany.

PARIS AMERICAN ACADEMY . . . 4 CAMPUSES: France-Lebanon-England-U.S.A. Short and long term Study Programs. Write: 9 Rue des Ursulines, Paris 5, France.

SKI AUSTRIA NEXT WINTER! Sea Pines Abroad mixes American education with Alpine environment. Co-ed, boarding, grades 9-12 & PG. Regular high school courses; strong academic standards. Skiing and travel. Catalogue. Sea Pines Abroad School, A-5324 Faistenau bei Salzburg, Austria.

OXFORD—WHY NOT STUDY AT A BRITISH COLLEGE? * Wide selection of courses—U.S. transfer credit. * Personal tuition with Oxford faculty. * Semester, Year Abroad, Summer and Degree programmes. Details: Registrar (SR), WARNBOROUGH HOUSE, Oxford, OX2 6JA, England.

STUDIES ABROAD

UNIQUE COLLEGE IN MEXICO? Instituto Allende offers full undergraduate, graduate and serious non-credit programs in English, specializing in arts, crafts, writing, Spanish and social studies. U. S. Office of Education and V. A. approved. Perpetual sunshine, inexpensive living. Mexico's most beautiful colonial town. Free illustrated prospectus. Instituto Allende, Box A, San Miguel de Allende, Guanajuato, Mexico.

KATHMANDU, NEPAL: Meditation Seminar Oct. 1-31, 1975. $1,500—Airfare, Tuition, Hotel. Henry Ganzler, Ph.D., 507 Lincoln Street, Santa Cruz, Calif. 95060.

THE CENTER FOR CROSS-CULTURAL STUDY, Seville, Spain. Courses in Spanish and English: language, culture, guitar, dance, cooking, ceramics, painting. Summer, year. $35/credit. Dr. Guidera, 64 South Rosko, Southampton, N.Y. 11968. (516) 283-1140.

GO TO COLLEGE IN ENGLAND THIS FALL! At the University of Evansville's Harlaxton Study Centre earn a full year of college credits. And have plenty of time to travel in Europe. All qualified college students eligible, including freshmen. Fully accredited. For details write: Department 7G, University of Evansville, P.O. Box 329, Evansville, Ind. 47702.

THE AMERICAN SCHOOL IN SWITZERLAND —American education with an international dimension. Co-educational college preparation in Lugano, Switzerland, meets highest American academic standards. Grades 7-12. Outstanding faculty. College testing and counseling. Excellent record college acceptances. Research trips and optional vacation travel in Europe. Sports and activities. Contact: Mr. Robert Lynn, 326 East 69th Street, New York, N.Y. 10021. Telephone: (212) 988-5462.

SUMMER STUDIES

SEND YOUR SON OR DAUGHTER to a Ranch this Summer! Let them Learn Safe Horse Procedures by Doing. English and Western—taught by the Specialists—ARBOLES D'ORO, Inc. (established 1969). WRITE FOR OUR CURRENT CATALOGUE. Ages 15 and up. $179.00 per week, live on. A.D.O., Box 126, RR1, Conifer, Colo. 80433. (303) 838-4862/838-5566.

SUMMER STUDIES ABROAD

GERMANY, FRANCE, SPAIN, ENGLAND. See Schiller College Europe under "Studies Abroad". High School, undergraduate and graduate programs.

AUGUST SESSION: PHOTOGRAPHY, Perception Workshops. Yggdrasil: Torupvej 31, 8771 Hundslund, Denmark.

STUDENT TRAVEL

SOUTHWESTERN BACKPACKING/BIKING adventures with small co-ed teenage groups. Write Wilderness and Wheels, 1612 Brae St., Santa Fe, N. Mex. 87501, for brochure.

CAMPS

TEENAGERS RATE HUMAN RELATIONS and our community spirit even higher than our arts and sports programs. They could be right! Co-ed 6-18. Brochure! Appel Farm Arts & Music Center, Elmer 13, N.J. 08318. Phone (609) 358-2472.

VACATIONS

THE SEASIDE—Favored smaller resort. Private beach. Near Sarasota. Longboat Key, Fla. 33577.

THE IMPROBABLE INN, Boothbay Harbor, Maine 04538. Artists and vacationers. American plan, weekly. Brochure!

WHITNEYS' . . . Charming Inn off beaten path. Rooms, Cottages, Motel. All seasonal sports. Famous food. AAA. Summer season 1975, June 28th-October 19th. Don Murray, Dept. 6, Jackson, N.H. 03846.

SAN FRANCISCO ON A BUDGET? Charming, centrally located. Hotel Beresford, 635 Sutter Street, San Francisco 94102.

$98 WEEKLY FOR TWO—at "Strawberry Fields" —Jamaica's tropical beach campsite. Double-bed tents/cottages; cooking equipment; reggae music. Information: Strawberry, 54 West 56, NYC 10019. (212) 247-4505. Or Eastern Airlines/travel agents.

SCHOONER TIMBERWIND SAILS MAINE coast. Week includes island hopping, new friends, wonderful food, exciting sailing. $195.00—no extras. Brochure: (207) 763-3137. Schooner Timberwind, Box 247 F, Rockport, Maine 04556.

QUIET, ELM SHADED location near ocean, art galleries, shops, wharves. Small inn and motel with or without meals. Open to November. Tuck Inn Lodge, Box 118R, Rockport, Mass. 01966.

DISCOVER YOURSELF—enjoy remote, beautiful beaches; delicious food and time for thinking and dreaming. La Casa del Francés, Vieques Island, Puerto Rico 00765.

PARADOR MARTORELL, family inn by world famous Luquillo Beach, Puerto Rico 00673.

MARTHA'S VINEYARD—Country. Informal. Tennis. Near beach. European/MAP. Major cards. LAMBERT'S COVE INN, RFD, Vineyard Haven, Mass. 02568. (617) 693-2298.

TRADEWIND SUMMERS for golf and beaches. Apartments $30-35. Call or write: (808) 879-1736, Box 719S, Kihei, Maui, Hawaii 96753.

Mail All Replies To SR Box Numbers To: 488 Madison Ave., New York, N.Y. 10022.

Saturday Review

Change of Address Form

If you are going to move, please use this form and advise Saturday Review 60 days in advance. Both old and new address must be given. Enclose mailing label which gives full information and enables the Subscription Department to put the change into effect quickly. Many thanks. PLEASE PRINT

ATTACH MAILING LABEL HERE

NEW ADDRESS

NAME_____

ADDRESS_____

CITY_____ STATE_____ ZIP_____

OLD ADDRESS

ADDRESS_____

CITY_____ STATE_____ ZIP_____

Mail to: **Saturday Review**, P.O. Box 2043, Rock Island, Ill. 61206

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

VACATIONS

VERMONT—HISTORIC, UNSPOILED, BEAUTIFUL. Relax in this soothing, unspoiled country, rich in history and heritage, inspiring in the beauty of her mountains, lakes and countryside. Here a well kept inn established in 1786, charming rooms, exceptional food, beverage and service await you. On its back six, an old mill dam, gardens, lawns, filtered pool, chip and putt green; walks, churches, shopping, antiques, theatre, golf nearby. Written up in many publications. Tel (802) 247-5766, or write Box 75-7, BRANDON INN, Brandon, Vt. 05733.

THE UNBELIEVABLE INN. Spectacular mountaintop views, 25 lovely rooms, beamed ceilings, fireplaces, library, great food, intimate lounge. Golf course, pool; lakes nearby, guided tours to White Mountains. Toll free 1-(800) 447-4470. Jerry S. Walker, The Inn at Steele Hill, Laconia, N. H. 03246.

TOBAGO—*CRUSOE'S ONLY ISLE*—(WE CAN PROVE IT). TOBAGO COTTAGES—all sizes, locations, and rental rates. Cottage Owners Association, Box 194, Tobago, W.I.

EMAJAGUA BEACH GUEST HOUSE. The luxury hotels are envious of our beach Punta Las Marias, Santurce, Puerto Rico 00913. (809) 726-9605.

JACK SNYDER'S WAILEA golf for you, sand beaches for the family. PENTHOUSE apartments. Call or write: (808) 879-1736, Box 719S, Kihei, Maui, Hawaii 96753.

MARTHA'S VINEYARD. A beautiful island escape. 7 miles at sea, easily reached by car/ferry, or direct air. Lovely old villages, snug harbors, beautiful sandy beaches, all recreational activities. Browsing shops, amiable accommodations, restaurants. Send $1 for a pictorial guide and directory of accommodations. Martha's Vineyard Information, Vineyard Haven, 9, Mass. 02568.

STRATTON VERMONT—SUMMER SEASON RENTALS $1000 and up for 6 months. All types. Sales. Winter rentals. WINHALL REAL ESTATE, Box 73 S, Bondville, Vt. 05340. (802) 297-2023.

EXPEDITION 'ROUND THE WORLD. Remote places—Galapagos, Pitcairn, Easter, Tahiti, Fiji, etc. 180' yacht. Share expenses. Shipmates wanted! Write: YANKEE TRADER, P.O. Box 120, Dept. RW 6A, Miami Beach, Fla. 33139.

COMING TO MAINE—Captain Lewis still pursues halibut in "*THE RUTH*" if you command. If we've whetted your appetite, write for our free copy of "The Lighthouse". Sebasco Lodge, Box S, Sebasco Estates, Maine 04565. (207) 389-1161.

ST. JOHN, V. I. Mountaintop vacation-house. Year-round adventuresome relaxation. Off-season $240/week. SR Box 879.

VACATION COLLEGE, University of Oregon, Eugene 97403, August 17-24. Study "Crime and Punishment" or "Conflicts in American Economy". $178, all costs including recreation. Write for brochure.

TRAVEL

YOU WON'T SEE RUSSIA UNLESS you see it June, July, August with PERSON-TO-PERSON TOURS, Suite 1732N, 101 Park, New York 10017. (212) 684-4994.

THIS AD + $9.00 per person, double occupancy, entitles you to real value New York. Next time try CENTURY-PARAMOUNT HOTEL, 235 West 46th Street, convenient theatres and everything; 650 rooms, with bath, TV, air conditioning. Single-$14.00. Don't delay, reserve now. This is a "sleeper" in every sense.

WORLDWIDE NATURE TOURS allow you to experience first-hand the natural history of 34 areas, with the guidance of a naturalist. All-inclusive tours from 8 to 36 days to all parts of the world including the U.S. Explore in depth new and exciting places: great for birders, photographers, and the nature-oriented traveler. Write *today* for our 1975 Directory. QUESTERS TOURS, Dept. SR, 257 Park Avenue South, New York, N.Y. 10010. (212) 673-3120.

TRAVEL

SAN FRANCISCO on $5.00 a day including MEALS! Unique residence club beats the high cost of living. The Monroe, 1870 Sacramento St. 94109. (415) 474-6200.

AUTO BABY-SITTERS—INDOOR storage. Rates LOWER than long-term outdoor airport/pier parking. Pickup/delivery. Branches throughout NYC. 827 Sterling Place, Brooklyn, N.Y. 11216. (212) 493-9800.

EUROPE? STAY IN A CASTLE. Castle-Hotels book with 1975 supplement: lists 500 castles, monasteries, palaces offering accommodations. 16 countries, 360 illustrations, rates, maps, histories, 164 pages, $4.15 postpaid. Robert Long, 634s Bellmore Ave., East Meadow, N.Y. 11554.

WORLDWIDE FREIGHTER GUIDE, $2.10, rates, schedules, 700 passenger-carrying freighters. TravLTips, 40-21ZC Bell, Bayside, N.Y. 11361.

HOUSES AVAILABLE

FOR RENT

FURNISHED/UNFURNISHED

MEXICO—Small seminars, large families, congenial friends enjoy this Cuernavaca casa. Large garden, heated pool, view, pleasant staff. September to mid-December. Mid-April-June. Small housekeeping house with garden also available. SR Box 976.

HOUSES AVAILABLE

FOR SALE

MOVING TO CLEVELAND? Suburban living, superior schools, near universities, attractive integrated neighborhoods. Shaker Communities, 3380 Lee Road, Shaker Heights, Ohio 44120. (216) 751-2155.

MAINE—180 year old brick Cape farm—26 acres. Beautiful view—two barns—river frontage—$35,000. Franklin Realty Co., Main Street, Farmington, Maine 04938. (207) 778-2852, Mr. Barrows, Broker.

PLYMOUTH, Massachusetts, Condominium, 1 bedroom, $15,900. Pool, tennis. (617) 746-8100.

WESTCHESTER—25 AMTRAK minutes. Superlative six-bedroom brick Georgian. $123,500. (914) 668-2835.

HOUSES AVAILABLE

SUMMER RENTAL

VERMONT, 28 miles to Dartmouth, overlooks horse cross-country course. $800 to Labor Day. AC (802) 685-2239.

HOUSES FOR EXCHANGE

MEMBERS EXCHANGE HOMES for rent-free vacations. Write: Vacation Exchange Clubs, 350 Broadway, New York 10013.

RENT-FREE VACATIONS. Write Holiday Home Exchange, Box 555, Grants, N. Mex. 87020.

APARTMENT AVAILABLE

FOR RENT

FURNISHED/UNFURNISHED

NUEVA ANDALUCIA-SPAIN. Rent a luxurious seaside villa in the most capitvating resort anywhere. $30.00/day. (215) 375-8048.

HEIDELBERG, Germany. Furnished two-bedroom. Central location. Ideal for Sabbatical. $275 monthly. SR Box 995.

ITHACA, N.Y. Walk to Cornell campus for lectures, concerts. Fairview Heights . . . a new environment for living designed by Marcel Breuer. Write to Fairview Associates, 100 Fairview Square, Ithaca, N.Y., or call Mr. Sullivan, (607) AR 2-3420.

MANHATTAN—furnished 2-bedroom apartment with large garden. August only. $500, plus $500 security. (212) 246-6776, evenings.

RETIREMENT LIVING

RETIRE IN A MILD CLIMATE—one of the six healthiest places in U.S.A. Situated in great Botanical Garden Area. Offers all activities for pleasant living in Long Leaf Pine Country—low taxes—financing. Write for brochure. Francis W. Howe, Landscape Architect, Clarendon Gardens, Box 1071SR, Pinehurst, N.C. 28374.

PROPERTY AVAILABLE

HUGE, DIVERSIFIED INVENTORY of country property. Write or call us with objectives and budget. Northern Vermont Real Estate, Hyde Park, Vt. 05655, (802) 888-4287/2433.

GOVERNMENT LANDS . . . FROM $7.50 ACRE! Vacationing, Farming, Investment! Exclusive "Government Land Buyer's Guide" . . . plus "Land Opportunity Review" listing lands throughout U.S. Send $2.00. SURPLUS LANDS, Box 6588-MT, Washington, D.C. 20009.

HORSE FARM — RESTORED COLONIAL — WATERFALL, 60 acres—barns, views, $72,500. JOHN HOLMES ANDRUS, REALTOR, PAWLET, VT. 05761. (802) 325-3011.

FOR SALE—Four beautiful acres land Ocean Drive area Newport, Rhode Island—highest point available near ocean. 360° view. Small duck pond, 2 unusually beautiful stone outbuildings, easily restored, ideal site solar and wind energy. (401) 847-4145.

EMPLOYMENT OPPORTUNITIES

EXCITING OVERSEAS JOBS. Directory $1.00. Research Associates, Box 1750-R, Santa Fe, N. Mex. 87501.

OVERSEAS JOBS—Now hiring, 103 countries, all occupations, high pay, free transportation, tax benefits, latest computerized reports—$2.00. TRANSWORLD, International Airport, Box 90802-W, Los Angeles, Calif. 90009.

OVERSEAS EMPLOYMENT . . . Europe, Australia, South America, Asia! All occupations! $700.00-$4,000.00 monthly! Employment International, Box 217-MV, Cumberland, Ind. 46229.

OVERSEAS OPPORTUNITIES—Now available! Free transportation Complete information . . . plus Directory of 200 companies hiring thousands worldwide . . . all occupations. Send $2.00. International Opportunities, Box 29232-MT, Indianapolis, Ind. 46229.

AUSTRALIA. Authentic information is freely available WITHOUT CHARGE from the Australian Embassy in Washington, D.C. (202) 797-3000, and the Australian Consulate-General in New York (212) 245-4000, San Francisco (415) 362-6160, Los Angeles (213) 380-4610, and Chicago (312) 329-1740.

AUSTRALIA—NEW ZEALAND WANT YOU!!! 50,000 jobs! Paid transportation! Latest information and forms. $1.00. Austco, Box 3623-W, Long Beach, Calif. 90803.

WORK OVERSEAS. Australia, Africa, South America, Europe, etc. Construction, Sales, Engineers, Clerical, etc. $8000-$50,000+. Expenses paid. For employment information write: Overseas Employment, Box 1011-J, Boston, Mass. 02103.

ALASKA PIPELINE JOB INFORMATION. Over 50 addresses where to contact contractors and subcontractors on the high paying jobs that you've heard about. Send $3.00 to P.O. Box 10733, Eugene, Oreg. 97401.

COLLEGE GRADUATE—SINGLE. Interested in teaching. Travel to schools and colleges throughout U.S. Liberal Arts background; creativity; independence. No experience—will train. Start mid-August. Box 439, Greenwich, Conn. 06830.

MEN! WOMEN! JOBS ON SHIPS. American, Foreign. Guide $3.00, Seafax, Dept. W-10, Box 2049, Port Angeles, Wash. 98362.

CASTLE NEEDS CHATELAINE to cook, and care for kingdom. Guardian-of-gate commutes Nassau County to N.Y.C. law practice. Pets, spouse, children, welcome. SR Box 996.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

DEWAR'S® PROFILES

(Pronounced Do-ers "White Label")

BLENDED SCOTCH WHISKY • 86.8 PROOF • ©SCHENLEY IMPORTS CO., N. Y., N. Y.

LYNDA J. WELLS

HOME: Cambridge, Massachusetts

AGE: 34

PROFESSION: Neurobiologist

HOBBIES: Yoga, classical guitar, hiking, cooking.

MOST MEMORABLE BOOK: Jung's "Memories, Dreams, Reflections"

LAST ACCOMPLISHMENT: Awarded a post-doctoral traineeship in experimental neurobiology.

QUOTE: "One of the most fascinating subjects for the scientist is the study of the human brain and human behavior. Neurobiological research will lead to an understanding of the basis of behaviors such as emotional illness."

PROFILE: Deep compassion gives her a strong commitment to help relieve the anguish of emotionally disturbed people.

SCOTCH: Dewar's "White Label®"

Authentic. There are more than a thousand ways to blend whiskies in Scotland, but few are authentic enough for Dewar's "White Label." The quality standards established in 1846 have never varied. Into each drop go only the finest whiskies from the Highlands, the Lowlands, the Hebrides.

Dewar's never varies.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Oh, the disadvantages...
Benson & Hedges 100's
BENSON&HEDGES
100's
Regular and Menthol
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.
17 mg. "tar," 1.1 mg. nicotine, av. per cigarette, FTC Report, Apr. '75.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED